

81ST CONGRESS } 1st Session }	HOUSE OF REPRESENTATIVES {	REPORT No. 670
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FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES
ACT OF 1949

MAY 24, 1949.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. DAWSON, from the Committee on Expenditures in the Executive
Departments, submitted the following.

R E P O R T

[To accompany H. R. 4754]

The Committee on Expenditures in the Executive Departments, to whom was referred the bill (H. R. 4754) to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill, as amended, do pass.

The amendments are as follows:

Page 2, title II, sec. 206, strike the period and add “, and cataloging.”

Page 3, line 5, strike “.” after the word “public”.

Page 3, line 23, strike “i” in parenthesis and insert “1”.

Page 3, line 25, strike “ii” in parenthesis and insert “2”.

Page 5, line 3, strike “i” in parenthesis and insert “1”.

Page 5, line 8, strike “ii” in parenthesis and insert “2”.

Page 7, line 16, strike the word “Agency”, and insert in lieu “Administration”.

Page 8, line 24, after the word “Administration” insert “,”.

Page 13, line 21, after the word “public”, strike “.”.

Page 14, line 9, after the word “public”, strike “.”.

Page 15, line 13, strike “35d” and insert “354”; strike “)” and insert “, 41 U. S. C. (7b))”.

Page 18, line 8, after the word “value”, strike “,”.

Page 19, line 2, after the word “property”, insert “,”.

Page 21, line 15, after the word “usable”, insert “and necessary”.

Page 22, line 2, after “non”, strike “.”.

Page 38, line 8, strike the word “Agency” and insert in lieu “Administration”.

- Page 50, line 14, strike "III" and insert in lieu "IV".
- Page 54, line 7, after "(6)" insert "The first and second provisos contained in the fourth paragraph under the heading "Division of Supply" in".
- Page 57, line 5, after the parenthesis, strike ": and".
- Page 57, line 6, strike out entire subsection "(29)".
- Page 60, line 17, strike "iv" in parenthesis and insert "4".
- Page 62, between lines 10 and 11, insert new subsection, "(17) Central Intelligence Agency;"
- Page 62, line 11, strike figure "17" in parenthesis and insert "18".
- Page 62, line 21, strike figure "18" in parenthesis and insert "19".
- Page 63, line 21, strike figure "402" and insert in lieu "502".
- Page 63, line 23, strike "502 (a) (29)," and insert in lieu "201 (e)."

DEVELOPMENT IN FIELD OF PROPERTY MANAGEMENT

The need for an improved and efficient property management program, dealing with the problems facing the Federal Government in this respect, is becoming ever more apparent. The House with the passage of a bill in 1943 (H. R. 2795) took the initial step toward the recognition and solution of this complex phase of government. However, the Congress deferred action on that legislation, owing to the pressing necessity of disposal of war-surplus goods without dislocating the national economy. Instead the Surplus Property Act of 1944 was passed. This act had for its major purpose the handling of our war-generated surplus, with a limited lifetime of 3 years following the date of cessation of hostilities. This act will terminate on December 31, 1949.

The President, by special message dated March 5, 1948, recommended to the Congress renewed consideration of legislation in the field of property management. With this in mind, the Federal Works Administrator was directed to draft for evaluation a bill to effect such purpose. This bill, termed "The Federal Property Act of 1948" (S. 2754, 80th Cong.) was unanimously reported out by the Senate Committee on Expenditures in the Executive Departments, and would have established a sound system for property management. This bill was never taken up by the Senate prior to adjournment because of the pressure of other matters.

In February of this year, the Federal Works Administrator, with the approval of the Director of the Bureau of the Budget, acting on behalf of the President, again presented a bill drafted for the accomplishment of a uniform property management system. This bill, H. R. 2781, "The Federal Property Act of 1949," effectively parallels the recommendations, for the most part, of the Commission on Organization of the Executive Branch of the Government. (As reported out of House and Senate Committees on Expenditures, these bills became H. R. 4754 and S. 1809, respectively.) The framework of this legislation establishes a General Services Administration, headed by an Administrator, answerable directly to the President, who would concern himself with the procurement, utilization, and disposal of Government property. In this way, great strides can be made in increased efficiency and economy of operation of the Federal Government.

GENERAL STATEMENT

Six years ago the confused state of legislation dealing with Government property management was described as follows:

Efficient executive management of the Government's great and growing investment in equipment, materials, and supplies, and the control of the Congress over the use and disposition of such property are seriously handicapped by the lack of comprehensive legislation. The essential foundation of management standards in determining what and what quantities should be bought, and similar standards to govern utilization are conspicuous by their absence. Although the accrual of surpluses is an inevitable feature of the active operations of Government, the determination and release of such surpluses is entirely within the discretion of thousands of widely scattered executives * * *. Even under normal conditions the results of such a situation are apparent in excessive stocks, unnecessary duplication, lack of maximum utilization, unauthorized augmentation of congressional appropriations by free transfer of cash equivalents from one to another, heavy direct losses to the Treasury, and waste in other forms. (1943 report of the House Committee on Expenditures in the Executive Departments on H. R. 2795, quoted with approval in 1944 in the report of this committee on the same bill.)

Leading off its report on an Office of General Services, the Commission on Organization of the Executive Branch of the Government has this to say on the subject:

Three major internal activities of the Federal Government now suffer from a lack of central direction. These are supply, records management, and the operation and maintenance of public buildings. These activities are carried on in several places within the executive branch with varying degrees of adequacy. While, as a general rule, centralized direction is lacking, there are some instances of the exact reverse of this situation in which operations are centrally controlled down to the smallest detail.

To the general public, the "housekeeping" activities listed above are little known, but unless they are properly administered, the executive branch cannot be effectively managed.

In the second part of the same report, relating to Federal supply activities, the Commission starts by saying:

The Federal Government runs one of the greatest supply businesses in the world. It is spending more than \$6,000,000,000 a year for new material, supplies, and equipment for the regular activities of the civilian and military agencies. In addition, since 1941, the Federal Government has been engaged in enormous purchases for export in connection with lend-lease and foreign-aid programs. It makes huge purchases of strategic and critical materials from foreign sources, and imports them for the national stock pile.

The Federal Government also has in storage, in the continental United States, military and civilian inventories valued at \$27,000,000,000. No one knows accurately the total worth of Government personal property currently being used, but its million or more motor vehicles, for example, have a value of at least \$2,000,000,000. The Government also pays out more than \$1,000,000,000 yearly for transportation of property, and \$440,000,000 in salaries of the nearly 150,000 employees working in supply operations.

Also we find grouped in the new General Services Administration, as recommended by the Commission, the following:

(a) Bureau of Federal Supply of the Treasury Department (which presently has limited over-all responsibility for the procurement of personal property, and for the supply and utilization of such property, together with essential, cooperative endeavors in the cataloging aspects of personal property);

(b) National Archives Establishment (which now has limited responsibility in records management field, principally concerned with the custody, maintenance, and preservation of historical records);

(c) Federal Works Agency functions in their entirety (including its many service characteristics). These service functions consist generally of the design and

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construction of public buildings, the disposal of surplus real property, the conduct (in the Public Roads Administration) of the Federal-aid road program and the provision of roads for other agencies, the custody and maintenance, on behalf of the National Military Establishment, of plants and machine tools in the National Industrial reserve, disaster relief, the administration of certain functions of the water-pollution-control program, etc. Management of the general services of the Government cannot be conducted economically and efficiently unless these responsible units are brought under a common direction and control. Of special note for inclusion in this are activities of the Federal Works Agency in providing and managing most office and warehousing facilities for the Government. Every study of the problem of storing, space, and records management has concluded that these factors are interdependent;

(d) Transfer for liquidation of the affairs of War Assets Administration (which under present law, would be liquidated on June 30, 1949, and its functions scattered among several agencies);

(e) Certain contract settlement functions (which are now reposing in the Treasury Department by Reorganization Plan No. 1 of 1947, would be transferred to the General Services Administration).

To implement the foregoing, and with the recognition that this is a relatively new field for the Government, the bill authorizes the Administrator to transfer, regroup, and distribute functions within the Administration for most effective accomplishment of the purposes of the act.

In conformity with recommendations of the Commission on Organization of the Executive Branch on uniform nomenclature (No. 21, Rept. No. 1 on General Management), the committee has changed the Public Buildings Administration to the Bureau of Public Buildings and the Public Roads Administration to the Bureau of Public Roads.

The Commission, in its report on the Department of Commerce, has also recommended that the Bureau of Public Roads be transferred to that Department as an important component of the new alignment of transportation services (Recommendation No. 7). The committee has, however, withheld action on such transfer until some determination is made relative to the over-all program to be accepted by Congress on the reorganization of the Department of Commerce and on the proposed consolidation of transportation agencies.

Likewise, the bill also transfers the Bureau of Community Facilities to the new General Services Administration. The Hoover Commission has recommended (Recommendation No. 4 on the Department of the Interior) that community services be centralized in general building construction services. In the bill, the President is given authority to continue the Bureau of Community Facilities within the new agency for such time as he may determine, and the Congress should consider this problem further in connection with related reorganizations.

The bill provides, generally, for uniform policies and methods of procurement, supply, and related functions. Yet, while fixing the management responsibility, this legislation provides operating machinery flexible enough to the extent of coping with the needs for specialized service. It is felt that in this way great savings can be achieved by the Government through the elimination of competition among executive agencies for like articles in the same markets, unnecessary purchasing, lack of quantity purchases, and other inefficiencies. In this respect, the Secretary of Defense is authorized, unless the President otherwise directs, to exempt the National Military Establishment from this centralized procurement program, when he deems such exemption to be required in the interest of national

security. The purchase and disposal of farm products under programs conducted by the Department of Agriculture for purposes of price support or stabilization are exempted from central control.

It is well at this point to bear in mind that the term "excess property" means any property under the control of any Federal agency which is not required for its needs and the discharge of its responsibilities, as determined by the heads thereof; the term "surplus property" means any excess property not required for the needs and the discharge of the responsibilities of the Federal Government, as determined by the Administrator.

Under the provisions of this act the maximum utilization of excess property is the responsibility of the General Services Administrator; he shall prescribe policies and methods to effect this and make provision for the expeditious transfer of excess property among the Federal agencies. In keeping with this, the bill requires continuing surveillance by every executive agency of the property under its control, and sets up a uniform system for the identification and classification of property, and for the standardization of contract forms, specifications, and procedures. It also further requires executive agencies to maintain reasonable inventory levels and to establish adequate inventory controls. Losses in the past have been suffered by the Government through the purchasing of new articles by one agency when serviceable articles of the same type were available in the inventories of other agencies and excess to their needs. This bill is designed to prevent this circumstance from reoccurring. The keystone to reduce expenditures in this regard and future economical operations in Government is a sound and comprehensive cataloging system for use by all agencies. To this end, acting under a joint, signed agreement, the civilian and military agencies are establishing a uniform Federal supply catalog system, designed to identify and classify personal property under the control of Federal agencies. Because of the imperative need for such cataloging, the committee believes that this cooperative civilian-military program for the establishment of a supply cataloging system should be pressed to completion with all possible speed. Further, this legislation authorizes the Comptroller General to prescribe principles and standards for property accounting, based on the needs and requirements of each agency. Also in this phase, the Comptroller General is empowered to audit all types of property accounts and transactions.

Again in line with recommendation of the Commission on Government Organization, the bill provides a central system relating to traffic management, transportation, and other public-utility services for the use of executive agencies.

As most of the objectives of the Surplus Property Act of 1944, as amended, have largely been attained, the bill, in harmony with existing law, dispenses with all priorities and preferences on personal property. The committee believes, however, that, from time to time, there will become surplus to the Government, books, equipment, or other supplies, the sale of which would realize little monetary return but which would be usable by and of great benefit to our schools and colleges. The bill therefore authorizes the Administrator, in his discretion, to donate such surplus property for educational purposes upon the recommendation of the Federal Security Administrator. The committee believes that the authority vested in the Federal Security

Administrator is broad enough to authorize him to redelegate his authority to some other person designated by him, and in the field of education, for example, the appropriate designee would be the Commissioner of Education. This is believed in keeping with the best management practices of clear-cut delineations of line and staff authority and centralization of responsibility.

Surplus real property is in a different situation. That relating to municipal airports, public parks, historic monuments, and for recreational purposes is set up as permanent legislation. As to all other surplus real property the committee has retained existing priorities and preferences with respect to the disposition of such surplus real property only until 12 o'clock noon (eastern standard time) December 31, 1949.

Title III extends to the General Services Agency the principles of the Armed Services Procurement Act of 1947, with appropriate modifications principally designed to eliminate provisions applicable primarily to the military. The Administrator of General Services under certain circumstances is also permitted to delegate to any other executive agency, not named in the Armed Services Procurement Act, authority, under certain circumstances, to make purchases and contracts pursuant to the provisions of title III. This title provides for the modernization of procurement methods and procedures. It clarifies and preserves the formal advertising method of procurement, but at the same time, under proper control, authorizes negotiation in certain classes of cases. This title (of a procedural and not of a substantive nature) is designed to cope with future as well as presently existing situations, and to constitute a comprehensive code of procurement methods and procedures.

The committee believes that title III is substantially in accord with the recommendation made by the Commission on Organization of the Executive Branch of the Government in its Report on the Organization and Management of Federal Supply Activities, that legislation be enacted to apply the principles of the Armed Services Procurement Act of 1947 to buying by all agencies, this authority, however, to be lodged in the President (recommendation No. 2 p. 40, of the Combined Report on Office of General Services, and Supply Activities). Title III is substantially in accord with the report unanimously adopted by the Procurement Policy Board of the War Production Board in the fall of 1945 and in accord with legislation drafted by a special committee of the Procurement Policy Board.

Under the administration of the Department of State, most of the surplus property generated in foreign areas as a result of World War II has either been sold or has been committed for sale. The remaining small inventory is widely dispersed and of specialized or technical character; in most cases the cost of transportation back to this country probably would exceed either the use value to the Government or the sales return in the commercial market. Title IV of the bill deals with this problem and provides that the agencies responsible for such property shall dispose of it where located abroad, taking into consideration the foreign policy of the United States. As a practical matter, this means that the armed services will dispose of surplus property located in foreign countries pursuant to policies established by the Secretary of State.

As previously stated, existing authority of the National Archives Establishment with respect to records management is considerably limited. The committee believes that even this limited authority will, however, enable the Administrator of General Services to make a beginning in this most important field. The Commission on Organization felt that this aspect of Government deserved extensive study, devoting to it an entire task force report, and in appendix A (Task Force Report on Records Management, January 1949) setting up a proposed draft of a separate bill aimed at this special problem. In light of this, Congress should, after appropriate study, enact new and more comprehensive legislation for records management in keeping with the recommendation of the Commission on Organization of the Executive Branch of the Government.

The committee feels very strongly that the economies and increased efficiencies resulting directly from consolidation of agencies are and should be only a beginning in the savings which will accrue to the Federal Treasury under the bill. Many millions more can be and must be pared from expenditures for property management through merger of common services and the resultant reduction of overhead and elimination of duplicative activities. Efficient administration of well-drawn programs, based on careful studies, can produce maximum economies in Government. In the message of the President, dated May 9, 1949, in discussing the analyses and recommendations for reorganization of the executive branch, as urged by the Commission on Organization, it was stated that legislation to achieve that end, represents "a challenge to the achievement of better Government based on the fundamentals of sound organization and management." It is the feeling of this committee that the bill, H. R. 4754, is a milestone on the path of economical and more efficient governmental administration and service.

SECTION-BY-SECTION ANALYSIS

PREAMBLE

The bill commences with a short title styled the "Federal Property and Administrative Services Act of 1949," following which is a table of contents.

Section 2. Declaration of policy

This is very brief and states the intent of the Congress to provide for the Government an economic and efficient system for (a) the procurement and supply of personal property and nonpersonal services and performance of related functions; (b) the utilization of available property; (c) the disposal of surplus property; and (d) records management. Other sections of the bill implement items (a), (b), and (c) by consolidating the present scattered property functions and by providing a new uniform charter for property management. Item (d) is implemented only by the transfer of the National Archives Establishment to the General Services Administration. Additional legislation will be necessary to establish an effective system of records management. Such a system, however, should be built in conjunction with the National Archives Establishment, and should be administered in the General Services Agency, so that this transfer is a logical first step toward its creation.

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Section 3. Definitions

Several definitions require special note. "Property" includes all interests in property except the public domain and the major classes of naval vessels. "Excess property" means any property under the control of any Federal agency not required for its needs and responsibilities as determined by the head thereof. "Surplus property" means any property which has been declared excess by a particular Federal agency and which, after a survey of the needs of other Federal agencies, is determined by the Administrator of General Services no longer to be required by the Federal Government as a whole.

TITLE I. ORGANIZATION

Section 101. General Services Agency

(a) *Establishment of General Services Administration.*—This subsection provides for the establishment in the executive branch of the Government of a new agency to be known as the General Services Administration.

(b) *Administrator of General Services.*—This subsection provides that the new agency shall be headed by a new officer of the Government, entitled "Administrator of General Services," to be appointed, after the enactment of this legislation, by the President by and with the advice and consent of the Senate.

(c) *Deputy Administrator.*—This subsection provides for a Deputy Administrator to be appointed by the Administrator. The Deputy Administrator will perform such functions as the Administrator may designate and be Acting Administrator during the absence or disability of the Administrator and (unless the President designates another officer to serve as Administrator) in the event of a vacancy in that office.

(d) *Performance of functions pending first appointment.*—This subsection provides that, pending the first appointment of an Administrator, the President may designate the Federal Works Administrator last in office to perform temporarily the functions of the Administrator of General Services.

Section 102. Transfer of the Bureau of Federal Supply and contract-settlement functions to the General Services Administration

(a) *Transfer of the Bureau of Federal Supply.*—This subsection provides for transferring to the General Services Administration the functions, records, and personnel of the Bureau of Federal Supply, now in the Department of the Treasury, and for vesting in the Administrator of General Services the functions of Treasury personnel relating to the Bureau of Federal Supply. The Bureau of Federal Supply has been in the Department of the Treasury since 1933 and exercises central procurement functions for the executive branch of the Government. Its functions are not essentially related to the primary fiscal and tax functions of the Department of the Treasury, so that the Bureau may readily be severed from that Department without impairment of the Department's efficiency. In the General Services Administration the Bureau will supplement the property-service functions of that agency and will facilitate more economical property management in the Government. Functions of the Secretary of the Treasury, referred to in clause (3), include all functions vested in

him by law but performed by the Bureau for him under appropriate delegation: For example, stock-piling under the Strategic and Critical Materials Stock Piling Act (60 Stat. 596) and functions of over-all supervision and review of the performance of Bureau functions incidental to his position as head of the Department.

(b) *Transfer of contract-settlement functions.*—This subsection provides for transfer to the Administrator of General Services of the functions, transferred to the Secretary of the Treasury a little over 2 years ago, of the Director of Contract Settlement and the Office of Contract Settlement created by the Contract Settlement Act of 1944 (58 Stat. 649; 41 U. S. C. 101-125). These functions relate to the establishment of uniform policies and procedures for the settlement of terminated war contracts by Government contracting agencies and, because of the almost complete liquidation of the contract-termination program, are now routine and insignificant. Such little work as has been recently required in connection with this program has been carried on in the Treasury primarily by the Bureau of Federal Supply. It would be in the interest of good management to have this Bureau continue to wind up that program. This subsection likewise transfers from the Treasury to the General Services Administration the Appeal Board and the Contract Settlement Advisory Board also created by the Contract Settlement Act of 1944. This transfer is for housekeeping purposes only. The Secretary of the Treasury does not, nor will the Administrator of General Services, review decisions of the Appeal Board which will perform its functions under conditions and limitations prescribed by law.

(c) *Functions retained in the Treasury.*—This subsection permits the Bureau of the Budget to retain in the Treasury Department certain minor functions of the Bureau of Federal Supply, for example, as to printing, which properly pertain to the Treasury Department.

Section 103. Transfer of affairs of the Federal Works Agency

(a) *Transfer of constituents and functions of the Federal Works Agency.*—This subsection transfers to the General Services Administration the functions, records, and personnel of (1) the Public Buildings Administration (to be known as the Bureau of Public Buildings) and (2) the Public Roads Administration (to be known as the Bureau of Public Roads), and all other functions, records, and personnel of (3) the Federal Works Agency. The functions of the Federal Works Administrator, the Commissioner of Public Buildings, and the Commissioner of Public Roads are transferred to the Administrator of General Services.

(b) *Abolition of Federal Works Agency.*—This subsection abolishes the Federal Works Agency and the offices of Federal Works Administrator and Assistant Federal Works Administrator.

(c) *Continuation of Bureau of Community Facilities.*—This subsection provides that the President may continue the Bureau of Community Facilities of the Federal Works Agency as a constituent of the General Services Administration for such time as he may determine.

Section 104. Records management: Transfer of the National Archives

(a) *Transfer of the National Archives establishment.*—This subsection transfers to the General Services Administration the functions, records, and personnel of the National Archives establishment, and to the Administrator of General Services the functions of the Archivist

of the United States (except his functions with respect to the disposal of records and his membership in the bodies specified in subsection (b)), and of the Director of the Division of the Federal Register. The Archivist is to be appointed by the Administrator.

(b) *Transfer of National Archives Council and other bodies.*—This subsection transfers to the General Services Administration the National Archives Council, the National Historical Publications Committee, the National Archives Trust Fund Board, the Board of Trustees of the Franklin D. Roosevelt Memorial Library, and the Administration Committee of the Federal Register, and provides that the authority of the Administrator of General Services shall not extend to those bodies or their functions.

Section 105. Transfer for liquidation of the affairs of the War Assets Administration

This section provides for the liquidation of the affairs of the War Assets Administration as an agency and transfers its remaining functions, and its records, property, personnel, obligations, and commitments to the General Services Administration. It also permits the retention of certain special assistants and other experts now holding appointments without regard to the provisions of the civil-service laws and the Classification Act of 1923, as amended, and their appointment to similar positions.

The retention in employment and the status of other personnel transferred from War Assets Administration to the General Services Administration will be governed by applicable provisions of existing law.

Section 106. Redistribution of functions

Under this section the Administrator of General Services, in order effectively to perform the functions vested in him under the terms of this bill, is authorized to regroup and distribute within the Administration functions transferred to or vested in him by the bill, to make appropriate transfers of funds in connection therewith, and to report such transfers of funds to the Director of the Bureau of the Budget.¹

Such reporting is necessary in order to assure that funds are expended for the purpose for which they were appropriated, but it is not intended to give the Director of the Bureau of the Budget veto power over the Administrator so far as the organization of the Administration is concerned.

Section 107. Transfer of funds

This section transfers to the General Services Administration for activities under the bill the appropriations, allocations, or other funds available to the Department of the Treasury, the War Assets Administration, the Federal Works Agency, and the National Archives establishment for the functions transferred.

Section 108. Status of transferred employees

This section provides that, subject to other provisions of this title relating to personnel, employees transferred shall be deemed to be employees of the General Services Administration so as not to require reappointment.

¹ Addendum.

Section 109. Compensation of Administrator and other officials

This section provides that, pending the effective date of other statutes establishing their salaries, the President shall fix a suitable rate of compensation for the Administrator and Deputy Administrator of General Services, the Commissioners of Federal Supply, Public Buildings, Public Roads, and the Archivist, commensurate with the responsibilities and duties of these respective offices.

TITLE II. PROPERTY MANAGEMENT

This deals with the subject of property management within the United States.

Section 201. Procurement, warehousing and related activities

(a) *Centralized control.*—This subsection authorizes the Administrator of General Services, where it is advantageous to the Government, to regulate the policies and methods of executive agencies with respect to the procurement and supply of personal property and nonpersonal services, including related functions such as contracting, inspection, storage, issue, property identification and classification, transportation and traffic management, management of public-utility services, and repairing and converting. The Administrator may himself procure such personal property and nonpersonal services and perform such related functions, may consolidate and operate or arrange for the operation of suitable warehouses, repair shops, and similar facilities, and may for the use of executive agencies represent such agencies in negotiations with carriers and other public utilities, and in proceedings before regulatory bodies involving carriers and other public utilities. The provisions with respect to traffic management, management of public-utility services, and representation are not intended to abrogate any authority of the Department of Justice. This authority over procurement matters vested in the Administrator is a restatement of authority concurrently exercised by the Bureau of Federal Supply, except that the control over the purchases of wholly owned Government corporations is new, and that the relationship with the National Military Establishment is somewhat changed. The Secretary of Defense is authorized, unless the President shall otherwise direct, to exclude procurement for the National Military Establishment from control of the Administrator where the Secretary deems exclusion in the best interest of national security. Combat equipment and other items of peculiar importance to the armed forces could thus readily be excluded by the Secretary of Defense. At the same time, the Administrator would be in a better position to serve the armed forces more fully in meeting their other supply requirements, and he can appeal to the President if he thinks the Secretary of Defense has wrongly excluded him from any field.

(b) *Services to the legislative and judicial branches, and mixed-ownership corporations.*—This subsection provides that the Administrator shall, as far as practicable, upon the request of any agency in the legislative or judicial branches of the Government, or of any mixed-ownership Government corporation, or of the District of Columbia, purchase, warehouse, and distribute personal property and nonpersonal services to meet their needs. Government economy will

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be furthered by allowing these organizations, supported in whole or in part by the Federal Government, to take advantage of savings in procuring supplies which the Administrator can provide through the operation of a central procurement system.

It is believed that, with the exceptions provided in the bill, the system of centralized procurement, strengthened by the statutory support which the bill provides, will prove its efficiency and economy in the years to come. This does not mean that every item must be procured by a central agency, but only that such an agency must be responsible for determining how every item shall be procured, and for prescribing the manner of procurement which is best under the circumstances.

(c) *Application of trade-in allowances.*—This subsection authorizes executive agencies to exchange or sell personal property and apply the trade-in allowance or proceeds of sale in whole or part payment for property acquired. This is an expansion of authority given under a number of existing statutes to specific agencies or with respect to specific types of property. While these statutes are repealed by section 502 (a) (8) to (28), the language here is intended to be sufficiently broad to preserve all such existing authority. For example, the Department of Agriculture may continue, subject, of course, to any regulations of the Administrator, to exchange publications without monetary appraisal or detailed listing as it has done in the past under that portion of the act of March 4, 1915 (5 U. S. C. 548), which is repealed by section 502 (a) (14).

(d) *Limitation on open-market purchases and sales.*—This subsection amends section 3709 of the Revised Statutes, as amended, by raising from \$100 to \$500 the amount or value to which an agency is restricted in consummating a so-called open-market purchase or sale; i. e., without advertising for bids.

(e) *Elimination of surcharge.*—This subsection would eliminate the present surcharge levied on the price of commodities purchased with money of the general supply fund, through which the Bureau of Federal Supply provides supplies and services to the executive agencies. It is in accordance with the recommendation made by the Commission on Organization of the Executive Branch of the Government in its report on the Organization and Management of Federal Supply Activities (Recommendation No. 14, p. 49, of the Combined Report on Office of General Services, and Supply Activities). It is intended that the prices charged shall be fixed by the Administrator in amounts estimated to represent two items of cost to the Administrator; namely, the purchase price of the supplies or services and transportation thereof. The Administrator will be able to use a fixed-price system or such other system as may be suitable. Administrative expenses in connection with such purchases will be charged to funds to be appropriated in the usual manner. With respect to items such as breakage, shrinkage, and other inventory loss, it is intended that losses in the general supply fund on account of such items will be covered by appropriations.

Section 202. Property utilization

This section deals with the most important phase of property management, which is continuing use by the Government of the Government's property.

(a) *Over-all direction of Administrator of General Services.*—This subsection fixes upon the Administrator of General Services the over-all responsibility to prescribe the policies and methods to promote the greatest use in the entire executive establishment of property which is excess to the needs of one particular establishment and also to provide for the transfer of such property among Federal agencies.

(b) *Responsibility of executive agencies to survey property.*—This subsection imposes upon each executive agency the responsibility, in the first instance, (1) to maintain adequate inventory controls and accountability systems for its property (see also sec. 205 (b)), (2) to survey its property continuously to determine which is excess to its needs and promptly report excess property to the Administrator, (3) to care for such excess property, and (4) transfer or dispose of such property in accordance with authority delegated and regulations prescribed by the Administrator.

(c) *Responsibility of executive agencies to use property.*—This subsection similarly imposes upon each executive agency the responsibility in the first instance, to reassign property among activities within such agency, to transfer its excess property to other agencies, and to obtain for its use property which is excess to the needs of other agencies.

(d) *Transfer of property within National Military Establishment.*—This subsection permits the free transfer of excess property among the departments of the National Military Establishment under existing provisions of law and procedures defined by the Secretary of Defense.

(e) *Terms for transfer of excess property.*—This subsection generally requires that transfers of excess property between Federal agencies shall be at the fair value thereof as determined by the Administrator of General Services. Exceptions are made in the case of a transfer for general distribution among Federal agencies or for disposal as surplus property or where such transfer without reimbursement is otherwise authorized by recent legislations. "Transfers for redistribution to other Federal agencies" refers to instances where property is turned over to the Bureau of Federal Supply for redistribution rather than transferred direct for the use of another agency. When the redistribution occurs the transfer should be at fair value.

(f) *Transfer of property within an agency.*—Under this subsection transfers of property among activities financed by different appropriations to the same agency must be reported to the Director of the Bureau of the Budget, and, in turn, reported to the Congress.

(g) *Assignment of office and warehouse space.*—This subsection clarifies and strengthens existing law by authorizing the Administrator of General Services to assign and reassign space in excess real property to any Federal agency for office, storage, or related facilities. He may obtain reimbursement for such assignment in the absence of an appropriation available to him therefor. It is expected that operations under this subsection can and should materially lessen the present leasing of space for Government use in private office buildings.

(h) *Abandonment or donation of property.*—This subsection authorizes the abandonment, destruction, or donation to public bodies of property having no commercial value, or of which the estimated cost of continued care and handling would exceed the estimated proceeds from its sale.

Section 203. Disposal of surplus property.

(a) *Responsibility of General Services Administrator.*—This subsection provides that the General Services Administrator shall have supervision and direction over the disposition of property surplus to the needs of the entire Government.

(b) *Care and handling of surplus property.*—This subsection provides that the care and handling of surplus property pending its disposition, and the disposal of surplus property, may be performed by the General Services Administration or any executive agency designated by the Administrator. An agency other than the one in possession, however, cannot be designated to perform care and handling or disposal without its consent.

(c) *Terms of disposal.*—This subsection provides that any agency disposing of surplus property may do so by sale, exchange, lease, permit, or transfer, for cash, credit, or other property, with or without warranty, and may execute such documents for the transfer of the property as may be necessary.

(d) *Title of transferees.*—This subsection is designed to protect the interest of bona fide grantees or transferees. It makes instruments purporting to transfer title or other interest in surplus property under this act, which are executed by an executive agency, conclusive evidence of compliance with the provisions of the act in the absence of notice of defects.

(e) *Advertising for bids.*—This subsection provides that surplus property disposals may be made without regard to provisions of existing law for advertising, unless otherwise determined by the Administrator, until December 31, 1949. Thereafter, advertising and competitive bids will be required in disposing of such amount of surplus property as is not sold by that date.

(f) *Adjustments for contractor inventories.*—This subsection provides that contractors or subcontractors with executive agencies may be authorized to retain or dispose of their contractor inventories.

(g) *Consultation with Secretary of Agriculture.*—This subsection requires the Administrator to consult with the Secretary of Agriculture in formulating policies for the disposal of surplus agricultural commodities, surplus food processed from agricultural commodities, and surplus cotton and woolen goods, and further requires that such policies shall be formulated to prevent surplus agricultural commodities or surplus food products from being dumped on the market in such manner as to disrupt the market prices for agricultural commodities.

(h) *Disposal of agricultural commodities.*—This subsection requires the Administrator to transfer to the Department of Agriculture without charge any surplus agricultural commodities, foods, or cotton or woolen goods, whenever the Secretary determines it necessary in carrying out his responsibilities with respect to price support or stabilization, and further requires that the receipts from disposals by the Department of Agriculture shall be deposited pursuant to authority available to the Secretary of Agriculture and the net proceeds of sales of property so transferred shall be credited pursuant to the provisions relating to proceeds in section 105 (b). It also provides that, except when sold for export, surplus farm commodities so transferred may not be sold in quantities in excess of or at prices

less than those relating to such commodities when sold by the Commodity Credit Corporation.

(i) *Disposal of vessels for merchant use.*—This subsection establishes the United States Maritime Commission as the statutory disposal agency for surplus vessels of 1,500 gross tons or more, which it determines to be merchant vessels or capable of conversion to merchant use. Such vessels are to be disposed of in accordance with the Merchant Marine Act of 1936, as amended, and other laws relating to the sale of such vessels.

(j) *Donations for educational purposes.*—This subsection authorizes the Administrator of General Services, in his discretion, to donate surplus personal property usable and necessary for educational purposes as determined by the Federal Security Administrator, who shall allocate such property on the basis of needs and utilization for transfer by the Administrator of General Services, either direct or through State departments of education, to tax-supported and nonprofit school systems, schools, colleges, and universities. Provision is also made for allocation by the Secretary of Defense, for transfer by the Administrator to educational activities of special interest to the armed services, such as maritime academies or military or naval preparatory schools, of surplus property of the National Military Establishment which the Secretary determines to be usable and necessary for such activities. It is expected that the Federal Security Administrator will delegate to the United States Commissioner of Education and Surgeon General of the United States, as the case may be, authority to make determinations and allocations under his general supervision, and that the Secretary of Defense will similarly delegate to an appropriate official his authority under this subsection.

(k) *Conditions of transfer of surplus property.*—Under the Surplus Property Act of 1944, as amended, surplus property has been transferred to States and political subdivisions thereof, and to tax-supported or nonprofit educational and medical institutions for specified uses, subject to various conditions and reservations. This section would permit the head of the interested Government agency, subject to disapproval by the Administrator of General Services, to enforce compliance with such conditions or reservations, to reform or correct the instruments of transfer by which such conditions or reservations are imposed, and to grant releases (including conveyances by quit-claim deed, in the case of real estate) from such conditions and reservations. Such releases are to be conditioned upon findings that the property no longer serves the purpose for which the transfer was made, or that release will not prevent accomplishment of the purpose of such transfer, and upon such other conditions as may be necessary to protect or advance the interests of the United States.

(l) *Abandoned property.*—This subsection authorizes the Administrator to take possession of abandoned and other unclaimed property on Government premises, to determine when title thereto vested in the United States, and to utilize, transfer, or otherwise dispose of such property. Former owners of such property will have 3 years from the date of vesting of title in the United States to file claim and if such claim is found proper, are to be paid the proceeds realized from the disposition of the property, or, if the property is used or transferred, its fair value as of the time title vested in the United States as deter-

mined by the Administrator, less in either case the costs incident to the care and handling of such property as determined by the Administrator. It is contemplated that if such property is utilized or transferred its fair value will be paid by the receiving agency in line with the provisions of section 202 (e) and that such amounts and proceeds realized from dispositions will be covered into the Treasury as miscellaneous receipts pursuant to section 204 (a). Under other authority in the bill appropriations may be made for payment of any claims presented by the rightful owners.

Section 204. Proceeds from transfer or disposition of property

(a) *Deposit of proceeds into miscellaneous receipts.*—This subsection requires all proceeds from the transfer of excess property to a Federal agency or from the sale, lease, or other disposition of surplus property to be covered into the Treasury as miscellaneous receipts with the exceptions noted in subsections (b), (c), and (d).

(b) *Crediting of reimbursable funds.*—This subsection provides that in cases where the property was acquired by funds either not appropriated from the general fund of the Treasury, or appropriated therefrom and by law reimbursable from assessments, taxes, or other revenues, the net proceeds of the disposition or transfer of such property shall be credited to the reimbursable fund or appropriation or paid to the Federal agency declaring such property excess. It further provides that the proceeds shall be credited to miscellaneous receipts if the agency declaring the property excess shall deem it uneconomical or impracticable to ascertain the amount of net proceeds.

(c) *Refunds to purchasers.*—This subsection provides that Federal agencies disposing of surplus property may deposit in a special account with the Treasury whatever amounts they deem necessary to permit refunds to purchasers when any disposition is rescinded, or for breaches of warranty, and to withdraw the amounts so to be refunded or paid. Funds received from any specific contract are not earmarked in the special deposit account, but are commingled with all other receipts from sales by the Office of the Foreign Liquidation Commissioner. The language which provides for withdrawal of "amounts, so to be refunded or paid, without regard to the origin of the funds withdrawn" permits refunds to be made from any money remaining in the special deposit account whether or not the money collected under the particular contract remains in the special deposit account or has been transferred to general fund revenues as miscellaneous receipts.

(d) *Proceeds from contractors' sales.*—This subsection recognizes that the contractual provisions authorizing the proceeds of sales or property to be credited to price or cost of the work covered by the contract, are controlling and are not subject to the requirements of the act relating to covering proceeds into the Treasury as miscellaneous receipts.

(e) *Preservation of security.*—This subsection authorizes the Administrator to preserve and manage any mortgage, lien, or other interest retained as security in the disposition of surplus property, and authorizes him to enforce and settle the rights of the Government with respect thereto.

Section 205. Policies, regulations, and delegations

(a) *Presidential policies.*—By reason of the impact of this legislation upon all agencies in the executive establishment, this subsection authorizes the President, if he deems it advisable, to prescribe over-all policies and directives which shall govern the Administrator of General Services and executive agencies in operations under this act.

(b) *Property accounting systems.*—This subsection requires the Comptroller General, after considering the needs and requirements of executive agencies, to prescribe principles and standards of accounting for property, to cooperate with the Administrator of General Services and the executive agencies in developing property accounting systems, to approve satisfactory systems, to examine agency systems to determine the extent of compliance with principles, standards, and approved systems, and to report to the Congress cases of failure to comply therewith or adequately to account for property.

This is more flexible and vests more authority in the operating agencies than the recent Independent Offices Appropriations Acts, which prohibit the several agencies there named from installing or maintaining any property accounting system not prescribed or approved by the Comptroller General. The committee urges the greatest cooperation between the Comptroller General and other agencies in order that operating needs and costs may be fully considered. This section applies to all executive departments and agencies, with the exception, as provided in section 502 (c), of corporations and agencies subject to the Government Corporation Control Act.

(c) *Regulations of the Administrator.*—This subsection requires the Administrator to prescribe regulations for the effectuation of his functions under the act, and also requires the head of each executive agency to issue such orders and directives as are necessary to carry out such regulations.

(d) *Delegations of authority.*—Under this subsection the Administrator may redelegate his authority, excepting, however, the authority to issue policy regulations, the authority to make reorganizations within the General Services Administration, and as otherwise provided in the act (see sec. 307 (b)).

(e) *Designation of other agencies.*—So as to provide the greatest use of existing personnel and facilities within established agencies, this subsection authorizes the Administrator to designate other executive agencies to perform various procurement, utilization, or disposal functions with the proviso that any designation or assignment of functions or delegation of authority shall be made only with the consent of the agency concerned or upon direction of the President. This proviso would not apply to the authority of the Administrator to prescribe regulations and the duty of agency heads to implement them under subsection (c).

(f) *Transfer of personnel and funds.*—When any designation is made under subsection (d) the Administrator may, under this subsection, transfer funds and personnel to the affected executive agency.

(g) *Advisory committees.*—This subsection authorizes the Administrator to establish advisory committees to advise with him in carrying out his functions. Experience has demonstrated the value of such committees to Government officers where Government programs

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affect closely business and industry. Specific statutory authorization is necessary because of the prohibitions against unauthorized boards and commissions in title 31, United States Code, section 673, volume 35, Statutes at Large, page 1027. Compare also title 5, United States Code, section 83, volume 37, Statutes at Large, page 124, and title 31, United States Code, section 551, volume 49, Statutes at Large, page 19. Because of the better control over the membership and activities of these committees which is possible when they are established pursuant to statute, it would be advisable to provide specifically for such committees even apart from these laws. It is expected by this committee that membership on these bodies will be drawn, as may be appropriate, from industry, labor, and the general public.

(h) *Consultation with other agencies.*—This subsection makes it mandatory for the Administrator to advise and consult with affected Federal agencies.

Section 206. Surveys and standardization

(a) *Surveys, supply catalog, and contract forms.*—This subsection authorizes the Administrator to survey Government property and property management practices, to cooperate with executive agencies in the establishment of reasonable inventory levels and report excessive stocking to the Congress and the Budget Bureau, to establish and maintain a uniform Federal supply catalog system, and to prescribe standardized purchase and contract forms, procedures, and specifications. Making surveys, requiring reports concerning Government property, and establishing inventory levels, with due regard for the requirements of agencies concerned, will obviously promote better supply and property management practices, and indeed performance of these functions is indispensable if the powers under sections 201 and 202 are to be effectively exercised. The Administrator's reports on excessive stocking will enable the Appropriations Committees and Budget Bureau examiners to make suitable reductions in appropriations and estimates. The authority to standardize Government purchase and contract forms, procedures, and specifications has been in effect and in use for many years and is demanded by industry to make its relations with Government easier. It is confusing and costly, for example, to have contract with terms, forms, and conditions for a supply item with one agency differing in meaning and effect from one for the same kind of item with another agency. The committee expects that the Administrator will receive the full cooperation of executive agencies in connection with the development and preparation of standardized forms and standard purchase specifications. Existing control over the standardization of the Government construction contract forms and leases is continued in effect by provision in section 502 (b).

A uniform Federal supply catalog system, which identifies and classifies personal property under the control of Federal agencies, is essential for a well-managed Federal supply system so that there may be a common supply language among all parties to a transaction. The catalog will ultimately mean large savings to the Government through reducing inventories of parts and supplies. Without such a catalog, identical items are carried in stock under different designations, swelling inventories to needless size. This cannot be avoided

until each item is described, classified, and given a number for identification, so that duplications can be spotted at once. The disposal of surplus Government personal property will thus likewise be speeded. Provision is made for coordinating catalog activities with those of the National Military Establishment.

This subsection makes it clear that the National Military Establishment and the Bureau of Federal Supply will continue to cooperate toward the development of a Federal catalog system, as requested by the President, in accordance with the agreement (appendix A) signed by them. It is the consensus of the committee that the project should be pressed to completion with all possible speed.

(b) *Catalog and specifications mandatory.*—Due to the savings resulting from common use of the uniform supply catalog system and of standard purchase specifications, this subsection requires Federal agencies to use them, when prescribed by the Administrator, except as he shall otherwise provide.

(c) *Audit of property accounts.*—This subsection requires the General Accounting Office to audit all types of property accounts and transactions, such audit to be conducted when practicable at the site of the property or where records of the executive agencies are kept, and include but not limited to, an evaluation of the effectiveness of internal controls and audits, and a general audit of the discharge of the duty to account for property.

Section 207. Applicability of antitrust laws

This section requires any executive agency in beginning negotiations for the disposal of any plant or other property costing \$1,000,000 or more to seek advice of the Attorney General, and it shall be the duty of the Attorney General to advise the executive agency whether the proposed disposition of the property would tend to create or maintain a situation inconsistent with the antitrust laws. The executive agency must assist the Attorney General by furnishing him any requisite information it may possess essential to the Attorney General's determination. This section also provides that nothing in the act shall modify or limit the applicability of the antitrust laws to persons who acquire property under the provisions of the act.

In one respect the section is broader than a similar provision in the Surplus Property Act of 1944. It requires a determination by the Attorney General as to whether the proposed disposal would tend to create or maintain a situation inconsistent with the antitrust laws, while under existing law the determination is whether the proposed disposition will violate the antitrust laws.

Section 208. Employment of personnel

(a) *Civil-service laws.*—Employment of personnel is required by this subsection to be subject to the civil-service and classification laws.

(b) *Consultants.*—As an exception to the foregoing, this subsection grants to the Administrator limited authority to procure the temporary service of experts and consultants.

(c) *Officers of other agencies.*—The principal purpose of this subsection is to authorize the Administrator to utilize commissioned officers in the armed services with the consent of the head of the agency concerned.

Section 209. Civil remedies and penalties

(a) *Liability of Government employees.*—This subsection exempts officers and employees of the Government disposing of property under this act from liability with respect to such disposition, except for their own fraud, and from liability for the collection of any purchase price determined to be uncollectible. This provision is necessary because of the wide discretion which must be permitted persons charged with disposition under circumstances calling for swift action, and the tremendous volume of property covered by the act.

(b) *Civil penalties for fraud.*—This subsection deals with the civil liability of persons who engage in false, fraudulent, or fictitious activities or conceal or misrepresent material facts, or act with intent to defraud the United States, or who enter into an agreement or conspiracy, or cause other persons to do any of the foregoing. The United States is given the option of selecting among three different measures of damages—

1. Any person engaged in such activities can be sued for the sum of \$2,000 for each such act, plus twice the amount of the damage sustained by the United States, plus the cost of suit.
2. The United States may recover from such person the amount of consideration paid by it to such person, or twice the amount of consideration which such person agreed to give the United States.
3. The United States may keep the property acquired by reason of the above-described fraud, plus the consideration given to it for that property.

Section 210. Reports to Congress

This section requires the Administrator to submit to Congress in January of each year, and at such other times as he may deem it desirable, a report regarding the administration of his functions under the act, together with any recommendations for amendments which he may deem appropriate and a citation of laws becoming obsolete by reason of the passage or operation of the act.

TITLE III. PROCUREMENT PROCEDURE

This title follows in structure, and is identical in language with, the Armed Services Procurement Act, with a few appropriate changes and omissions.

Section 301. Declaration of purpose

This section states that the purpose of title III is to facilitate the procurement of supplies and services.

Section 302. Application and procurement methods

(a) This subsection makes the provisions of title III applicable to purchases and contracts for supplies or services made by the General Services Administration either for its own use or otherwise, including centralized procurement. By delegation the Administrator may authorize any other civilian executive agency to use the procedure set forth in title III when such agency is designated to perform a central procurement function. In addition, authority to use the procedures set forth in title III may be delegated by the Administrator to another civilian executive agency in other cases where the Administrator

determines that such delegation is advantageous to the Government in terms of economy, efficiency, or national security. It is required that the Administrator's determination in such other cases set forth the circumstances upon which the determination is based. The terms "economy" and "efficiency" will be broad enough to cover cases where authority is delegated to negotiate contracts under 302 (c) (5) and 302 (c) (10) of this title. This title does not confer upon any civilian executive agency any vested right to receive such delegation. It is expected that such power of delegation will not be exercised indiscriminately but rather will be used with care and discretion. It is also expected that the Administrator will make periodic reviews to determine whether the authority so delegated has been properly used, and that he will either take such action as may be necessary to correct any misuse or will withdraw the delegation. After the Administrator has made such delegation he shall give notice thereof to the General Accounting Office.

(b) This subsection states the policy that a fair proportion of the total purchases and contracts shall be placed with small business concerns and further provides that notice of intent to negotiate shall be published in certain cases.

(c) Initially, this subsection reaffirms the basic principle that purchases and contracts shall be made by advertising. Negotiation is made permissible in certain excepted cases, however, to provide flexibility in Government procurement.

(1) This paragraph would permit automatic and immediate transition from more rigid peacetime advertising procedures to a completely flexible system if the President or the Congress declares the existence of a national emergency.

(2) This provision is an adaptation of a portion of section 3709 of the Revised Statutes as amended by section 9 (a) of the act of August 2, 1946 (60 Stat. 809; 41 U. S. C. 5). Whenever urgency requires an immediate purchase this exception would be available irrespective of whether the emergency could or should have been foreseen.

(3) This paragraph extends to the General Services Administration the power to negotiate if the aggregate amount involved does not exceed \$1,000. However, no delegation of such authority may be made to other executive agencies under this paragraph for purchases or contracts for supplies or services in excess of \$500 unless such purchasing or contracting is for centralized procurement.

(4) This provision permitting negotiation for personal or professional services is an adaptation of the exception from advertising provided by section 3709 of the Revised Statutes, as amended, hereinabove referred to.

(5) This paragraph would permit negotiation of contracts for technical assistance, expert study, and the application of specialized knowledge to be performed by any university, college, or other educational institution. This would cover matters which might not clearly qualify as experimental, developmental, or research work under paragraph (10) of this section.

(6) Under this paragraph if supplies or services are to be procured and used outside the limits of the United States and its possessions the contracts or purchases may be negotiated. In such cases it is frequently impracticable or uneconomical to advertise.

(7) Due to the technical nature, special characteristics, and differing qualities of medicines and medical supplies it is sometimes extremely difficult if not impossible to describe adequately in detailed specifications the exact characteristics of qualities needed. In such cases the need for negotiation is clear.

(8) Where supplies are purchased for authorized resale, the purchasing agency must accommodate the brand preference or the quality preference of the organization requesting the purchase. This paragraph therefore provides authority to negotiate such purchases.

(9) This paragraph provides for negotiation where it is impracticable to secure competition and places upon the agency concerned the maximum responsibility for decisions as to when it is impracticable. It is intended that this paragraph should be construed liberally.

(10) The very nature of a research and development contract does not ordinarily lend itself to formal advertising. This paragraph therefore provides that contracts for experimental, developmental, or research work or for the manufacture or furnishing of supplies for experimentation, development, research, or test may be negotiated and provides also for periodic reports to the Congress of action taken under this paragraph.

(11) It is provided that in cases where the purchase or contract should not be publicly disclosed negotiation may be employed. In such cases public disclosure through advertising would clearly be adverse to the interests of the Government.

(12) This paragraph permits negotiation of contracts for technical equipment in order to assure standardization of equipment and interchangeability of parts when such standardization and interchangeability is necessary in the public interest. It is intended that this authority should be used in special situations or in particular localities and such provision has been therefore added to the language as it appears in section 2 (c) (13) of the Armed Services Procurement Act of 1947. The paragraph would protect in every way possible the principles of competition and antimonopoly consistent with the occasional need for such standardization, and section 307 (b) of this title provides that the agency head may not delegate his responsibility for making any of the determinations required under this paragraph.

(13) Permits negotiation for supplies or services when it is determined that bid prices after advertising are not reasonable either as to all or some part of the requirements or have not been independently arrived at in open competition. It is designed to cope with cases including those where all bids received are too high, although not actually identical or apparently collusive. The committee believes that this paragraph will be most useful to break collusive bidding, follow-the-leader pricing, rotated low bids, identical bids requiring drawing of lots, uniform estimating systems, refusal to classify the Government as other than a retail buyer regardless of the quantity purchased, and similar other practices. Notification of the intention to negotiate after such advertising and reasonable opportunity to negotiate must be given to each responsible bidder and also the negotiated price must be the lowest negotiated price offered by any responsible supplier. This paragraph is a modification of paragraph 2 (c) (15) of the Armed Services Procurement Act of 1947. The modification will remove a restriction which in cases such as sudden upward market fluctuations might make it impossible to secure the needed supplies.

(14) This provision would preserve the authority to negotiate contracts conferred by other permanent legislation, for example, the Strategic and Critical Materials Stock Piling Act (60 Stat. 596; 50 U. S. C. 98-98h). This paragraph also has the effect of permitting negotiation under any relevant law which may be subsequently enacted whether said law is general or special legislation.

(d) The immediate furnishing of evidence of possible violations of the antitrust laws to the Department of Justice as required by this subsection will facilitate appropriate action where violations exist and will have a valuable moral effect on bidders. Compliance with this paragraph is not to be construed, however, as a condition precedent before exercise of the authority conferred by this title.

(e) For clarity this subsection provides that section 302 does not authorize or change the existing requirements for authorization for the erection or repair of buildings, roads, sidewalks, or similar items.

Section 303. Advertising requirements

(a) This section would establish broad standards for advertising, reserving appropriate discretion in the agency. It is considered both unnecessary and unwise to prescribe detailed and restrictive requirements, and it is believed that such matters should be left to be dealt with by regulation. This section provides that advertising shall be so conducted as to secure such full and free competition as is consistent with the procurement of types of supplies and services needed.

(b) This subsection provides for the public opening of bids and reaffirms the principles that the award shall be made to the responsible bidder whose bid is most advantageous to the Government, price and other factors considered, and that the Government may reject all bids when such action is deemed advisable. The question as to whether a particular bidder is a responsible bidder requires sound business judgment and involves evaluation of the bidder's experience, facilities, technical organization, reputation, financial resources, and other factors and a broad discretion is accordingly reserved to the agency with respect to the making of such determination.

Section 304. Requirements of negotiated contracts

(a) The right to use the most suitable type of contract is a necessary and inseparable adjunct to the right to negotiate and this subsection therefore permits negotiated contracts to be of any type which in the opinion of the agency head will promote the best interests of the Government, except as provided in subsection (b). Authority to negotiate contracts in the first instance carries with it equal authority to negotiate subsequent changes in the terms of negotiated contracts, and such amendments may also be of such type as the agency head believes will promote the best interests of the Government. This subsection also provides that every negotiated contract shall contain a suitable warranty against contingent fees.

(b) This subsection prohibits the cost-plus-a-percentage-of-cost system of contracting and prescribes maximum fees in connection with cost-plus-a-fixed-fee contracts. Neither a cost nor a cost-plus-a-fixed-fee contract nor an incentive-type contract may be used unless it is determined that such method is likely to be less costly than other methods or that it is impracticable to secure supplies or services of the kind or quality without the use of such type of contract.

Section 305. Advance payments

(a) This permits the agency head to make advance payments under negotiated contracts upon adequate security if the agency head determines such payments to be in the public interest or in the interest of the national defense and necessary and appropriate in order to procure the required supplies or services. This authority is essential in periods of emergency and in peacetime it is often the only way in which it can be made possible for a small-business concern to handle Government contracts. Often institutions of learning, research laboratories, inventors, and similar contractors who perform most of the experimental, re-research, and developmental contracts need advance payments because they do not have sufficient funds to finance or are unwilling to finance such contracts completely out of their own resources. The power to make advance payments is permissive only, and under section 307 (b) of this title may not be delegated by the agency head. The committee expects the civilian agencies to be very sparing in the making of advance payments in normal times and to use the authority, even in times of national emergency, only when it is thoroughly justified.

(b) The additional form of security by way of lien which is provided for by this subsection is a permissive feature which may be very useful, especially in the event that a joint bank account, a controlled account, or a special bank account is established in connection with an advance payment.

Section 306. Waiver of liquidated damages

This section permits the Comptroller General, in his discretion, upon proper recommendation by the agency concerned, to remit sums due the Government under contract terms providing for the assessment of liquidated damages for a delay in performance. This will permit the Comptroller General to meet those situations in which the strict application of the liquidated damages provisions would be inequitable either in whole or in part and regardless of whether timely notice is given with respect to the delay.

Section 307. Administrative determinations and delegations

(a) This subsection provides that the determinations and decisions to be made by the Administrator or other agency head may be made with respect to individual purchases and contracts or with respect to classes of purchases or contracts and that such determinations and decisions shall be final. It allows delegation by the agency head except in those cases designated in subsection (b) of this section. The determinations and decisions so made will not be made subject to invalidation or challenge by the Comptroller General or the courts. However, the broader the power or the more important the decision or determination, the higher the level at which the decision or determination will be made.

(b) This subsection prohibits the agency head from delegating the power to make the determinations or decisions specified in paragraphs 11 and 12 of section 302 (c), which concern, respectively, contracts which should not be publicly disclosed and standardization of technical equipment and in section 305 (a), concerning the making of advance payments. This subsection also restricts the power of the agency head to make the decision or determinations specified in paragraph (10) of section 302 (c) which concerns experimental, developmental, or

research contracts. Furthermore, under this subsection the Administrator's power to delegate to another civilian executive agency the right to use the authority provided under title III can be delegated by the Administrator only to the Deputy Administrator of the General Services Administration or to the chief official of any principal constituent agency of the General Services Administration. It is believed that such power to confer authority upon another civilian agency should be exercised only at a high level within the General Services Administration.

(c) As a further safeguard this subsection requires that determinations or decisions concerning research and development contracts, contracts which should not be publicly disclosed, standardization of technical equipment, and negotiation after advertising, the type of contract to be used and the making of advance payments shall be based upon written findings, that these findings shall be final, and shall be available within the agency for at least 6 years after making such determination. Furthermore, it provides that a copy of the findings shall be furnished to the General Accounting Office with the contract.

(d) Data with respect to negotiation is required to be preserved in the agency for 6 years following final payment on the contract except where negotiation is pursuant to public exigency, a dollar amount, for personal or professional services, for services to be rendered by an educational institution, or for supplies or services which are to be purchased and used outside the limits of the United States or its possessions.

Section 308. Statutes continued in effect

This section provides that contracts executed under this title shall not be exempt from the provisions of the Walsh-Healey Act, the Davis-Bacon Act, or the 8-hour law by reason of their having been entered into by negotiation.

Section 309. Definitions

(a) This subsection defines the term "agency head" as used in title III to mean the head or an assistant head of any executive agency, and provides that the term may at the option of the Administrator include the chief official of any principal constituent agency of the General Services Administration. This is deemed salutary in order to reserve the power of determination and decision at an adequately high level, and at the same time to designate the officials intended to be covered.

(b) This subsection defines supplies to include all property except land, and to include, by way of description and without limitation, public works, buildings, facilities, ships, floating equipment, vessels, aircraft, parts, accessories, equipment, machine tools, and alteration or installation thereof. These illustrations are intended only as examples and the committee has attempted to meet present and future contingencies.

Section 310. Statutes not applicable

This section provides that the following acts shall not be applicable to the procurement of supplies or services by the General Services Administration:

Revised Statutes, section 3709, as amended, which concerns formal advertising;

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Revised Statutes, section 3735, which prohibits the making of contracts for "stationery or other supplies" for more than 1 year; and

Sections 1 and 2 of the act of October 10, 1940, which set forth certain specific exemptions from Revised Statutes, section 3709, which are not in harmony with this title.

These statutes would also be suspended for procurement made by another civilian executive agency, under proper delegation of authority made by the Administrator and solely within the scope of that authority, and such suspension would be limited to the extent and within the purview of the authority thus delegated.

TITLE IV. FOREIGN EXCESS PROPERTY

Section 401. Disposal of foreign excess property

This section generally provides that, except where commitments exist under previous agreements, all excess property located in foreign areas shall be disposed of by the owning agency. The head of the agency in question is directed to conform to the foreign policy of the United States in making such disposals. The section provides further that the Secretary of State shall continue to administer existing agreements with respect to the disposal of foreign excess property and shall have authority to amend, modify, and renew such agreements in order to carry on the foreign educational exchange program and the purposes of the Foreign Service Buildings Act and to provide local currencies under procedures established by the Secretary of the Treasury for the payment of expenses of the United States in the country in question.

Section 402. Methods and terms of disposal

This section authorizes disposals of foreign excess property under terms similar to those in the Surplus Property Act of 1944, as amended under which foreign disposals are currently being made. Foreign excess property may be disposed of by sale, exchange, lease, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the head of the executive agency concerned deems proper. Such property may be disposed of for foreign currencies or credits, or substantial benefits or the discharge of claims resulting from the compromise or settlement of such claims by any executive agency in accordance with the law, whenever the head of the executive agency concerned determines that it is in the interest of the United States to do so. Disposals may be made without advertising when the head of the executive agency finds such a course to be most practicable and to be most advantageous to the Government. Sales of agricultural commodities, food, or cotton or woolen goods must include a condition forbidding importation into the United States unless the Secretary of Agriculture determines that such property is in short supply in this country. The head of the executive agency responsible for disposal may execute the documents necessary to transfer the interest of the United States in the property and may authorize abandonment, destruction, or donation of foreign excess property under his control which has no commercial value or the estimated cost of care and handling of which would exceed the estimated proceeds of sale.

Section 403. Proceeds; foreign currencies

This section provides that the proceeds from sales of foreign excess property shall, if in the form of foreign currencies or credits, be administered in accordance with procedures prescribed by the Secretary of the Treasury and shall, if in United States currency or when reduced to United States currency, be covered into the Treasury as miscellaneous receipts. The provisions of section 204 (b) relating to reimbursable funds or appropriations shall apply to proceeds of foreign excess property under this title. The section further provides that any executive agency disposing of surplus property under this title may establish a special account with the Treasurer of the United States from which appropriate refunds to purchasers may be made.

Section 404. Miscellaneous provisions

(a) *Presidential policies.*—The President is granted general authority to prescribe policies deemed necessary to execute the provisions of this title.

(b) *Delegation of authority.*—Any authority conferred upon any executive agency under this title may be delegated and successive redelegations authorized by the head of such agency to any official in such agency or to the head of another executive agency.

(c) *Employment of personnel.*—The head of each executive agency responsible for the disposal of excess property hereunder may, subject to the civil-service and classification laws, appoint and fix the compensation of necessary personnel and without regard to the civil-service and classification laws appoint and fix the compensation of personnel outside the continental limits of the United States as may be necessary to carry out his functions.

(d) *Reports to Congress.*—Each agency responsible for foreign disposal shall make annual reports to Congress relative to its activities under this title.

(e) *Transfer of personnel, funds, etc.*—Such records, property, personnel obligations, commitments, and unexpended balances, of appropriations, allocations, and other funds as are determined by the Director of the Bureau of the Budget to relate to the functions transferred to another executive agency under this title shall be transferred from the Department of State to that agency.

TITLE V. GENERAL PROVISIONS

Section 501. Applicability of existing procedures

This section continues in effect all existing policies, procedures, and directives until superseded or amended under authority of the act.

Section 502. Repeal and saving provisions

(a) *Repeal of Surplus Property Act, certain exceptions.*—This subsection repeals all the Surplus Property Act of 1944 except (i) sections 13 (g) and (h), relating to transfers for the airport program and for parks, recreation, and historic monuments, and section 32 (b) (2), relating to the foreign scholarship program, all of which are retained as permanent legislation; and (ii) section 28 suspending a statute of limitations. The priorities and preferences provided for in that act are continued in effect with respect to the disposal of surplus real estate until December 31, 1949. The provisions of the Supplemental

Independent Offices Appropriation Act, 1949 (Public Law 862, 80th Cong.), as amended, abolishing the War Assets Administration as of June 30, 1949, and assigning its property-disposal functions to several different agencies, are likewise repealed, as are two statutes authorizing the armed services to donate obsolete personal property for educational purposes. The latter statutes were superseded by Public Law 889, Eightieth Congress, which is likewise repealed, since it will be superseded by the donation provisions in section 203 (j). This subsection also repeals two statutes relating to the transfer of excess property to other agencies and some 20 statutes relating to use of trade-in allowances which will be superseded by section 201 (e).

(b) *Repeal of Executive Order 6166.*—This subsection supersedes Executive Order 6166 so far as it relates to the Bureau of Federal Supply.

(c) *Declaration of additional authority.*—By this subsection the authority conferred by the act is declared supplemental and not subject to other legislation.

(d) *Special exemptions from the act.*—This subsection exempts from operations under the act a number of activities requiring special treatment. Chief among these are programs for price support, stabilization, grants to farmers, and foreign aid; procurement procedures under the Armed Services Procurement Act of 1947 (this statute is concerned only with procedures and it is not intended by its inclusion in this subsection to grant any exemption from the substantive provisions of the bill); the stock-piling of critical materials; the national school lunch program; the Housing and Home Finance Agency with respect to the disposal of residential property; the Atomic Energy Commission; and the Central Intelligence Agency.

It is not intended by these exemptions that those administering the agencies or programs listed shall be free from all obligation to comply with the provisions of the act or from all jurisdiction of the Administrator. On the contrary, it is expected that they will as far as practicable procure, utilize, and dispose of property in accordance with the provisions of the act and the regulations issued thereunder, particularly so far as common-use items and administrative supplies are concerned. Likewise, it is intended that the Administrator shall have full authority, with respect to the agencies or programs mentioned, to make surveys of, and obtain reports on, property and property-management practices, to cooperate in the establishment of inventory levels, and to report excessive stocking, in accordance with the provisions of section 206 (a) (1) and (2).

In other words, to the extent that compliance with the act and submission to the jurisdiction of the Administrator will not so "impair or affect the authority" of the several agencies to which the subsection applies as to interfere with the operation of their programs, the act will govern. Any disputes that arise can be settled by the President under the authority to prescribe policies and directives vested in him by section 205 (a).

Section 503. Authorization for appropriations and transfer authority

(a) *Authorization for appropriations.*—This subsection authorizes appropriations generally without specification as to amount.

(b) *Transfer authority.*—Under this subsection an executive agency may use for care and handling of property, funds heretofore appro-

apportioned to it for purposes contemplated by sections 201, 202, 203, and 205 of the act.

Section 504. Separability

Each provision of the act is declared separable so far as validity is concerned.

Section 505. Effective date

The effective date of the act is established as July 1, 1949, except that (1) section 502 (a) (2), relating to the War Assets Administration, is made effective June 30, 1949, and (2) section 201 (e), abolishing the Bureau of Federal Supply surcharge, is to become operative July 1, 1950.

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

STATUTES AMENDED

Section 201 (d): Section 3709 of the Revised Statutes, as amended (41 U. S. C. 5):

Unless otherwise provided in the appropriation concerned or other law, purchases and contracts for supplies or services for the Government may be made or entered into only after advertising a sufficient time previously for proposals, except (1) when the amount involved in any one case does not exceed **[\$100]**, \$500 (2) when the public exigencies require the immediate delivery of the articles or performance of the service, (3) when only one source of supply is available and the Government purchasing or contracting officer shall so certify, or (4) when the services are required to be performed by the contractor in person and are (A) of a technical and professional nature or (B) under Government supervision and paid for on a time basis. Except (1) as authorized by section 29 of the Surplus Property Act of 1944 (50 U. S. C. App. 1638), (2) when otherwise authorized by law, or (3) when the reasonable value involved in any one case does not exceed **[\$100]** \$500 sales and contracts of sale by the Government shall be governed by the requirements of this section for advertising.

Section 201 (e): Section 2 of the Act of February 27, 1929 (ch. 354, 45 Stat. 1342; 5 U. S. C. 7b):

[That each] Each executive department and independent establishment shall furnish from time to time, when called on to do so, estimates of its requirements for inclusion in purchases which it is proposed to have made by the **[Secretary of the Treasury]**, *Administrator of General Services* and there shall be reserved from proper appropriations sufficient amounts in each case to reimburse the general supply fund hereinafter created. The **[General Supply Committee]** *Administrator of General Services* shall charge the **[proportionate]** *estimated* cost of supplies, **[including breakage, shrinkage, transportation, cost of handling by the Treasury Department, and inspection,]** and bill the same to each requisitioning department and independent establishment; and each such requisitioning department and establishment shall reimburse said general supply fund out of its appropriation upon proper vouchers. *Other expenses such as breakage, shrinkage, inspection, and handling by the General Services Administration shall be charged to funds appropriated to cover such expenses.*

STATUTES REPEALED

Section 502 (a) (1)—the Surplus Property Act of 1944, as amended (except sections 13 (g), 13 (h), 28, and 32 (b) (2)) * * *: *Provided*, That with respect to the disposal under this Act of any surplus real

FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT

estate, all priorities and preferences provided for in said Act, as amended, shall continue in effect until 12 o'clock noon (eastern standard time), December 31, 1949.

AN ACT To aid the reconversion from a war to a peace economy through the distribution of Government surplus property and to establish a Surplus Property Board to effectuate the same, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Surplus Property Act of 1944".

OBJECTIVES

SEC. 2. The Congress hereby declares that the objectives of this Act are to facilitate and regulate the orderly disposal of surplus property so as—

(a) to assure the most effective use of such property for war purposes and the common defense;

(b) to give maximum aid in the reestablishment of a peacetime economy of free independent private enterprise, the development of the maximum of independent operators in trade, industry, and agriculture, and to stimulate full employment;

(c) to facilitate the transition of enterprises from wartime to peacetime production and of individuals from wartime to peacetime employment;

(d) to discourage monopolistic practices and to strengthen and preserve the competitive position of small business concerns in an economy of free enterprise;

(e) to foster and to render more secure family-type farming as the traditional and desirable pattern of American agriculture;

(f) to afford returning veterans an opportunity to establish themselves as proprietors of agricultural, business, and professional enterprises;

(g) to encourage and foster postwar employment opportunities;

(h) to assure the sale of surplus property in such quantities and on such terms as will discourage disposal to speculators or for speculative purposes;

(i) to establish and develop foreign markets and promote mutually advantageous economic relations between the United States and other countries by the orderly disposition of surplus property in other countries;

(j) to avoid dislocations of the domestic economy and of international economic relations;

(k) to foster the wide distribution of surplus commodities to consumers at fair prices;

(l) to effect broad and equitable distribution of surplus property;

(m) to achieve the prompt and full utilization of surplus property at fair prices to the consumer through disposal at home and abroad with due regard for the protection of free markets and competitive prices from dislocation resulting from uncontrolled dumping;

(n) to utilize normal channels of trade and commerce to the extent consistent with efficient and economic distribution and the promotion of the general objectives of this Act (without discriminating against the establishment of new enterprises);

(o) to promote production, employment of labor, and utilization of the productive capacity and the natural and agricultural resources of the country;

(p) to foster the development of new independent enterprise;

(q) to prevent insofar as possible unusual and excessive profits being made out of surplus property;

(r) to dispose of surplus property as promptly as feasible without fostering monopoly or restraint of trade, or unduly disturbing the economy, or encouraging hoarding of such property, and to facilitate prompt redistribution of such property to consumers;

(s) to dispose of surplus Government-owned transportation facilities and equipment in such manner as to promote an adequate and economical national transportation system; and

(t) except as otherwise provided, to obtain for the Government, as nearly as possible, the fair value of surplus property upon its disposition.

DEFINITIONS

SEC. 3. As used in this Act—

(a) The term "Government agency" means any executive department, board, bureau, commission, or other agency in the executive branch of the Federal

Government, or any corporation wholly owned (either directly or through one or more corporations) by the United States.

[(b) The term "owning agency," in the case of any property, means the executive department, the independent agency in the executive branch of the Federal Government, or the corporation (if a Government agency), having control of such property otherwise than solely as a disposal agency.

[(c) The term "disposal agency" means any Government agency designated under section 10 to dispose of one or more classes of surplus property.

[(d) The term "property" means any interest, owned by the United States or any Government agency, in real or personal property, of any kind, wherever located, but does not include (1) the public domain, or such lands withdrawn or reserved from the public domain as the Surplus Property Board (created by section 5) determines are suitable for return to the public domain for disposition under the general land laws, or (2) naval vessels of the following categories: Battleships, cruisers, aircraft carriers, destroyers, and submarines.

[(e) The term "surplus property" means any property which has been determined to be surplus to the needs and responsibilities of the owning agency in accordance with section 11.

[(f) The term "contractor inventory" means (1) any property related to a terminated contract of any type with a Government agency or to a subcontract thereunder; and (2) any property acquired under a contract pursuant to the terms of which title is vested in the Government, and in excess of the amounts needed to complete performance thereunder; and (3) any property which the Government is obligated to take over under any type of contract as a result of any change in the specifications or plans thereunder.

[(g) The term "care and handling" includes completing, repairing, converting, rehabilitating, operating, maintaining, preserving, protecting, insuring, storing, packing, handling, and transporting, and, in the case of property which is dangerous to public health or safety, destroying, or rendering innocuous, such property.

[(h) The term "person" means any individual, corporation, partnership, firm, association, trust, estate, or other entity.

[(i) The term "State" includes the several States, Territories, and possessions of the United States, and the District of Columbia.

[(j) The term "tax-supported institution" means any scientific, literary, educational, public-health, or public-welfare institution which is supported in whole or in part through the use of funds derived from taxation by the United States, or by any State or political subdivision thereof.

[(k) The term "veteran" means any person in the active military or naval service of the United States during the present war, or any person who served in the active military or naval service of the United States on or after September 16, 1940, and prior to the termination of the present war, and who has been discharged or released therefrom under honorable conditions.

DISPOSITION OF SURPLUS PROPERTY—GENERAL RULE

[SEC. 4. Surplus property shall be disposed of to such extent, at such times, in such areas, by such agencies, at such prices, upon such terms and conditions, and in such manner, as may be prescribed in or pursuant to this Act.

SURPLUS PROPERTY BOARD

[SEC. 5. (a) There is hereby established in the Office of War Mobilization, and in its successor, a Surplus Property Board (hereinafter called the "Board"), which shall be composed of three members, each of whom shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of \$12,000 per annum. The term of office of the members shall be two years, except that the term of office of the members first appointed shall expire two years from the date of the enactment of this Act, and the next succeeding terms shall then begin, and any person appointed to fill a vacancy caused by the death, resignation, or removal of a member prior to the expiration of the term of such member shall be appointed only for such unexpired term. The President shall designate one of the members of the Board as Chairman.]

(The Surplus Property Board created by this subsection was abolished by Public Law 181, 79th Congress (59 Stat. 533), which created the Surplus Property Administration and the office of Surplus Property Administrator. By virtue of Executive Order 9689, January 31, 1946, the functions of the Surplus Property Administration and the Surplus Property Administrator were transferred to the War Assets Corporation and the Chairman of the Board of Directors of the War Assets Corporation, respectively. The Executive order also provided for the

establishment, on March 25, 1946, of the War Assets Administration and the office of War Assets Administrator. On that date the functions of the War Assets Corporation relative to surplus property and of the Chairman of the Board of Directors of the War Assets Corporation relative to surplus property were transferred to the War Assets Administrator. Section 501 of Reorganization Plan 1 of 1947, effective July 1, 1947, transferred the functions of the War Assets Administration and the War Assets Administrator, established by Executive Order 9689, to the Surplus Property Administration and the Surplus Property Administrator, respectively, and provided that the latter agencies should be known as the War Assets Administration and the War Assets Administrator, respectively. Section 502 of the Plan created the office of Associate War Assets Administrator.)

[(b) The Board may, within the limits of funds which may be made available, appoint and fix the compensation of such officers and employees, and may make such expenditures for supplies, facilities, and services, as may be necessary to carry out its functions. Without regard to the provisions of the civil-service laws and the Classification Act of 1923, as amended, the Board may appoint such special assistants, and may employ such certified public accountants, qualified cost accountants, industrial engineers, appraisers, and other experts, and fix their compensation, and may contract with such certified public accounting firms and qualified firms of engineers, as may be necessary to carry out its functions.

[DUTIES AND AUTHORITY OF BOARD

[SEC. 6. The activities of the Board shall be coordinated with the programs of the armed forces of the United States in the interests of the war effort. Until peace is concluded the needs of the armed forces are hereby declared and shall remain paramount. The Board shall have general supervision and direction, as provided in this Act, over (1) the care and handling and disposition of surplus property, and (2) the transfer of surplus property between Government agencies.

[COOPERATION WITH INTERESTED GOVERNMENT AGENCIES

[SEC. 7. The Board shall advise and consult with other interested Government agencies with a view to obtaining all aid and assistance possible in coordinating the functions of the several agencies affected by the disposition of surplus property.

[DELEGATION OF AUTHORITY

[SEC. 8. The head of any Government agency, except the Board, may delegate, and authorize successive redelegations of, any authority conferred upon him or his agency by or pursuant to this Act to any officer, agent, or employee of such agency or, with the approval of the Board, to any other Government agency.

[REGULATIONS

[SEC. 9. (a) The Board shall prescribe regulations to effectuate the provisions of this Act. In formulating such regulations, the Board shall be guided by the objectives of this Act.

[(b) Regulations issued pursuant to subsection (a) may, except as otherwise provided in this Act, contain provisions prescribing the extent to which, the times at which, the areas in which, the agencies by which, the prices at which, and the terms and conditions under which, surplus property may be disposed of, and the extent to which and the conditions under which surplus property shall be subject to care and handling.

[(c) Each Government agency shall carry out regulations of the Board expeditiously and shall issue such further regulations, not inconsistent with the regulations of the Board, as it deems necessary or desirable to carry out the provisions of this Act.

[(d) Regulations prescribed under this Act shall be published in the Federal Register.

[DESIGNATION OF DISPOSAL AGENCIES

[SEC. 10. (a) Except as provided in subsection (b) of this section, the Board shall designate one or more Government agencies to act as disposal agencies under this Act. In exercising its authority to designate disposal agencies, the Board shall assign surplus property for disposal by the fewest number of Government agencies practicable and, so far as it deems feasible, shall centralize in one disposal agency responsibility for the disposal of all property of the same type or class.

[(b) The United States Maritime Commission shall be the sole disposal agency for surplus vessels which the Commission determines to be merchant vessels or capable of conversion to merchant use, and such vessels shall be disposed of only in accordance with the provisions of the Merchant Marine Act, 1936, as amended, and other laws authorizing the sale of such vessels.

[(c) Except as provided in subsection (b) of this section, the Department of State shall be the sole disposal agency for surplus property located outside the continental United States, Hawaii, Alaska (including the Aleutian Islands), Puerto Rico, and the Virgin Islands, and with respect to such property the Secretary of State shall exercise the functions heretofore conferred upon the Surplus Property Administrator by Public Law 181, Seventy-ninth Congress. The Secretary of State shall, subject to the provisions of the War Mobilization and Reconversion Act of 1944, have sole responsibility for carrying out the provisions of the Surplus Property Act of 1944, with respect to surplus property located outside the continental United States, Hawaii, Alaska (including the Aleutian Islands), Puerto Rico, and the Virgin Islands.] (Subsection (c) added by Public Law 584, 79th Congress (60 Stat. 754).)

[DECLARATION AND DISPOSITION OF SURPLUS PROPERTY

[SEC. 11. (a) Each owning agency shall have the duty and responsibility continuously to survey the property in its control and to determine which of such property is surplus to its needs and responsibilities.

[(b) Each owning agency shall promptly report to the Board and the appropriate disposal agency all surplus property in its control which the owning agency does not dispose of under section 14.

[(c) Whenever in the course of the performance of its duties under this Act the Board has reason to believe that any owning agency has property in its control which is surplus to its needs and responsibilities and which it has not reported as such, the Board shall promptly report that fact to the Senate and House of Representatives. Each owning agency and each disposal agency shall submit to the Board (1) such information and reports with respect to surplus property in the control of the agency, in such form, and at such reasonable times, as the Board may direct; (2) such information and reports with respect to other property in the control of the agency, to such extent, and in such form, as the Board may direct and as the agency deems consistent with national security.

[(d) When any surplus property is reported to any disposal agency under subsection (b) of this section, the disposal agency shall have responsibility and authority for the disposition of such property, and for the care and handling of such property pending its disposition, in accordance with regulations prescribed by the Board. Where the disposal agency is not prepared at the time of its designation under this Act to undertake the care and handling of such surplus property the Board may postpone the responsibility of the agency to assume its duty for care and handling for such period as the Board deems necessary to permit the preparation of the agency therefor.

[(e) The Board shall prescribe regulations necessary to provide, so far as practicable, for uniform and wide public notice concerning surplus property available for sale, and for uniform and adequate time intervals between notice and sale so that all interested purchasers may have a fair opportunity to buy.

[(f) No surplus property which was processed, produced, or donated by the American Red Cross for any Government agency shall be disposed of except after notice to and consultation with the American Red Cross. All or any portion of such property may be donated to the American Red Cross, upon its request, solely for charitable purposes.

[(g) Each disposal agency shall maintain in each of its disposal offices such records of its inventories of surplus property and of each disposal transaction negotiated by that office as the Board may prescribe. The information in such records shall be available at all reasonable times for public inspection.

[UTILIZATION OF SURPLUS PROPERTY BY FEDERAL AGENCIES

[SEC. 12. (a) It shall be the duty of the Administrator to facilitate the transfer of surplus property from one Government agency to other Government agencies for their own use and not for transfer or disposition; and the transfer of surplus property under this section shall be given priority over all other disposals provided for in this Act, except disposals to veterans of property reserved exclusively for veterans under subsection (b) of section 16 of this Act. The Administrator shall prescribe a reasonable time within which Government agencies shall exercise

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the priority provided by this subsection, but the time so fixed shall not exceed twenty days from the time public notice is given of the availability of the surplus property for disposal to Government agencies.] (As amended by Public Law 375, 79th Congress (60 Stat. 168).)

[(b) It shall be the responsibility of all Government agencies in order to avoid making purchases through commercial channels, continuously to consult the records of surplus property established by the Board and to determine whether their requirements can be satisfied out of such surplus property. It shall also be the responsibility of the head of each Government agency to submit to the Board such estimates of the needs of the agency and such reports in relation thereto as the Board may deem necessary to promote the fullest utilization of surplus property. It shall be the responsibility of the Board to determine whether Government agencies are acquiring surplus property to the fullest possible extent, and to notify agencies whenever, in its judgment, they are not so doing.]

[(c) The disposal agency responsible for any such property shall transfer it to the Government agency acquiring it at the fair value of the property as fixed by the disposal agency, under regulations prescribed by the Administrator, unless transfer without reimbursement or transfer of funds is authorized under subsection (d) of this section.] (As amended by section 3 of Public Law 375, 79th Congress (60 Stat. 168).)

[(d) Notwithstanding the provisions of section 34 (a) of this Act, no Government agency may transfer any property to any other Government agency without reimbursement or transfer of funds under authority of any law approved prior to June 22, 1944. Any disposal agency may transfer surplus property to a Government agency without reimbursement or transfer of funds whenever a transfer on such terms by the owning agency (by which such property was declared surplus) would be authorized by any law approved subsequent to June 21, 1944, to be made to the Government agency desiring such property.] (Added by section 4 of Public Law 375, 79th Congress (60 Stat. 168).)

[DISPOSAL TO LOCAL GOVERNMENTS AND NONPROFIT INSTITUTIONS]

[SEC. 13. (a) The Board shall prescribe regulations for the disposition of surplus property to States and their political subdivisions and instrumentalities, and to tax-supported and nonprofit institutions, and shall determine on the basis of need what transfers shall be made. In formulating such regulations the Board shall be guided by the objectives of this Act and shall give effect to the following policies to the extent feasible and in the public interest:

[(1) (A) Surplus property that is appropriate for school, classroom, or other educational use may be sold or leased to the States and their political subdivisions and instrumentalities, and tax-supported educational institutions, and to other nonprofit educational institutions which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code.]

[(B) Surplus medical supplies, equipment, and property suitable for use in the protection of public health, including research, may be sold or leased to the States and their political subdivisions and instrumentalities, and to tax-supported medical institutions, and to hospitals or other similar institutions not operated for profit which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code.]

[(C) In fixing the sale or lease value of property to be disposed of under subparagraph (A) and subparagraph (B) of this paragraph, the Board shall take into consideration any benefit which has accrued or may accrue to the United States from the use of such property by any such State, political subdivision, instrumentality, or institution.]

[(2) Surplus property shall be disposed of so as to afford public and governmental institutions, nonprofit or tax-supported educational institutions, charitable and eleemosynary institutions, nonprofit or tax-supported hospitals and similar institutions, States, their political subdivisions and instrumentalities, and volunteer fire companies, an opportunity to fulfill, in the public interest, their legitimate needs.]

[(3) Surplus property certified by the Governor of the State in which the property is situated and by the Secretary of the Army, the Secretary of the Navy, or the Secretary of the Air Force, as the case may be, as being suitable and needed for use in training and maintaining any civilian component of the armed forces under his jurisdiction may be disposed of to States, their political subdivisions or tax-supported instrumentalities, subject to such terms and conditions as the Administrator determines to be necessary to properly protect the interests of the United States. Such disposals shall be without

monetary consideration: *Provided*, That the Government shall be reimbursed for such costs incident to the disposal of the property as the Administrator may deem proper, including the expense of removal of any machinery, equipment, or personal property not transferred as a part of such disposal.】
(As added by Public Law 829, 80th Congress.)

【(b) Under regulations prescribed by the Board, whenever the Government agency authorized to dispose of any property finds that it has no commercial value or that the cost of its care and handling and disposition would exceed the estimated proceeds, the agency may donate such property to any agency or institution supported by the Federal Government or any State or local government, or to any nonprofit educational or charitable organization, or, if that is not feasible, shall destroy or otherwise dispose of such property, but, except in the case of property the immediate destruction of which is necessary or desirable either because of the nature of the property or because of the expense or difficulty of its care and handling, no property shall be destroyed until thirty days after public notice of the proposed destruction thereof has been given (and a copy of such notice given to the Board at the beginning of such thirty-day period) and an attempt has been made within such thirty days to dispose of such property otherwise than by destruction.

【(c) No harbor or port terminal, including necessary operating equipment, shall be otherwise disposed of until it has first been offered, under regulations to be prescribed by the Administrator, for sale or lease to the State, political subdivision thereof, and any municipality, in which it is situated, and to all municipalities in the vicinity thereof.】 (As amended by Public Law 289, 80th Congress.)

【(d) Whenever any State or political subdivision thereof, or any State or Government agency or instrumentality certifies to the Board that any power transmission line determined to be surplus property under the provisions of this Act is needful for or adaptable to the requirements of any public or cooperative power project, such line and the right-of-way acquired for its construction shall not be sold, leased for more than one year, or otherwise disposed of, except as provided in section 12 of this section, unless specifically authorized by Act of Congress.

【(e) In disposing of any surplus real property, as defined in section 23, on or across which highways or streets had been established and constructed and were being maintained by the States or their political subdivisions or instrumentalities at the time such surplus real property was acquired by the Government, and where such highways or streets were vacated, destroyed, or shut off from general public use in order to meet the requirements and serve the purposes of the Government, the States or their political subdivisions or instrumentalities first shall be given a reasonable time, to be fixed by the Board, in which to repurchase the original rights-of-way on which such highways or streets were established and in which to purchase such new or additional rights-of-way as may be required for reestablishing, in whole or in part, such highways or streets of greater width or on new and more adequate locations, at a price not exceeding that paid therefor by the Government.

【(f) Except as otherwise provided by this section, the disposal of surplus property under this section to States and political subdivisions and instrumentalities thereof shall be given priority over all other disposals of property provided for in this Act except (1) transfers to Government agencies under section 12 of this Act, as amended, and (2) disposals to veterans under section 16 of this Act, as amended. Disposals of real property to States, political subdivisions, and instrumentalities thereof for any of the purposes specified in section 13 (a) (1) (A), section 13 (a) (1) (B), section 13 (c), section 13 (d), section 13 (e), section 13 (g), or section 13 (h) of such Act, as amended, shall be given priority over all other disposals of property provided for in this Act except transfers to Government agencies under section 12 of this Act, as amended. The Administrator may prescribe a reasonable time during which any such priority shall be exercised.】
(As amended by section 2 of Public Law 616, 80th Congress.)

(g) (1) Notwithstanding any other provision of this Act, any disposal agency designated pursuant to this Act may, with the approval of the Administrator, convey or dispose of to any State, political subdivision, municipality, or tax-supported institution, without monetary consideration to the United States, but subject to the terms, conditions, reservations, and restrictions hereinafter provided for, all of the right, title, and interest of the United States in and to any surplus real or personal property (exclusive of property the highest and best use of which is determined by the Administrator to be industrial and which shall be so classified

for disposal without regard to the provisions of this subsection) which, in the determination of the Administrator of Civil Aeronautics, is essential, suitable, or desirable for the development, improvement, operation, or maintenance of a public airport as defined in the Federal Airport Act (60 Stat. 170) or reasonably necessary to fulfill the immediate and foreseeable future requirements of the grantee for the development, improvement, operation, or maintenance of a public airport, including property needed to develop sources of revenue from nonaviation businesses at a public airport.

(2) Except as provided in paragraph (3) hereof, all property disposed of under the authority of this subsection shall be disposed of on and subject to the following terms, conditions, reservations, and restrictions:

(A) No property disposed of under the authority of this subsection shall be used, leased, sold, salvaged, or disposed of by the grantee or transferee for other than airport purposes without the written consent of the Administrator of Civil Aeronautics, which consent shall be granted only if the Administrator of Civil Aeronautics determines that the property can be used, leased, sold, salvaged, or disposed of for other than airport purposes without materially and adversely affecting the development, improvement, operation, or maintenance of the airport at which such property is located: *Provided*, That no structures disposed of hereunder shall be used as an industrial plant, factory, or similar facility within the meaning of section 23 of this Act, unless the public agency receiving title to such structures shall pay to the United States such sum as the Administrator shall determine to be a fair consideration for the removal of the restriction imposed by this proviso.

(B) All property transferred for airport purposes shall be used and maintained for the use and benefit of the public, without unjust discrimination.

(C) No exclusive right for the use of the airport at which the property disposed of is located shall be vested (either directly or indirectly) in any person or persons to the exclusion of others in the same class. For the purpose of this condition, an exclusive right is defined to mean—

(1) any exclusive right to use the airport for conducting any particular aeronautical activity requiring operation of aircraft;

(2) any exclusive right to engage in the sale or supplying of aircraft, aircraft accessories, equipment, or supplies (excluding the sale of gasoline and oil), or aircraft services necessary for the operation of aircraft (including the maintenance and repair of aircraft, aircraft engines, propellers, and appliances).

(D) The grantee shall, insofar as it is within its powers, adequately clear and protect the aerial approaches to the airport by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.

(E) During any national emergency declared by the President or by the Congress, the United States shall have the right to make exclusive or nonexclusive use and have exclusive or nonexclusive control and possession, without charge, of the airport at which the surplus property is located or used, or of such portion thereof as it may desire: *Provided, however*, That the United States shall be responsible for the entire cost of maintaining such part of the airport as it may use exclusively, or over which it may have exclusive possession and control, during the period of such use, possession, or control, and shall be obligated to contribute a reasonable share, commensurate with the use made by it, of the cost of maintenance of such property as it may use nonexclusively or over which it may have nonexclusive control and possession: *Provided further*, That the United States shall pay a fair rental for its use, control, or possession, exclusively or nonexclusively, of any improvements to the airport made without United States aid.

(F) The United States shall at all times have the right to make nonexclusive use of the landing area of the airport at which the surplus property is located or used, without charge: *Provided, however*, That such use may be limited as may be determined at any time by the Administrator of Civil Aeronautics to be necessary to prevent undue interference with use by other authorized aircraft: *Provided further*, That the United States shall be obligated to pay for damages caused by such use, or if its use of the landing area is substantial, to contribute a reasonable share of the cost of maintaining and operating the landing area, commensurate with the use made by it.

(G) Any public agency accepting a conveyance or transfer of surplus property under the provisions of this subsection shall release the United States

from any and all liability it may be under for restoration or other damages under any lease or other agreement covering the use by the United States of any airport, or part thereof, owned, controlled, or operated by the public agency upon which, adjacent to which, or in connection with which, the surplus property was located or used: *Provided*, That no such release shall be construed as depriving the public agency of any right it may otherwise have to receive reimbursement under section 17 of the Federal Airport Act for the necessary rehabilitation or repair of public airports heretofore or hereafter substantially damaged by any Federal agency.

(H) In the event that any of the terms, conditions, reservations, and restrictions upon or subject to which the property is disposed of is not met, observed, or complied with, all of the property so disposed of or any portion thereof, shall, at the option of the United States, revert to the United States in its then existing condition.

(3) In making any disposition of surplus property under this subsection (g), the disposal agency is authorized, upon the request of the Administrator of Civil Aeronautics, the Secretary of War, or the Secretary of the Navy, to omit from the instruments of disposal any of the terms, conditions, reservations, and restrictions required by paragraph (2) hereof, and to include any additional terms, conditions, reservations, and restrictions, if the Administrator of Civil Aeronautics, the Secretary of War, or the Secretary of the Navy determines that such omission or inclusion is necessary to protect or advance the interests of the United States in civil aviation or for national defense.

(4) The Administrator of Civil Aeronautics shall have the sole responsibility for determining and enforcing compliance with the terms, conditions, reservations, and restrictions upon or subject to which surplus property is disposed of pursuant to this subsection.

(5) All surplus property within the purview of this subsection which is not disposed of pursuant hereto shall be disposed of as provided elsewhere in this Act or other applicable Federal Statute.

(6) Notwithstanding the provisions of subsection (f) of this section and subsection (e) of section 18, the disposal of surplus property under this subsection, which is determined by the Administrator to be available for the purposes enumerated in this subsection, shall be given priority immediately following transfers to other Government agencies under section 12. (Subsection (g) added by Public Law 289, 80th Congress.)

(h) (1) Notwithstanding any other provision of this Act, any disposal agency designated pursuant to this Act may, with the approval of the Administrator, convey to any State, political subdivision, instrumentalities thereof, or municipality, all of the right, title, and interest of the United States in and to any surplus land, including improvements and equipment located thereon, which, in the determination of the Secretary of the Interior, is suitable and desirable for use as a public park, public recreational area, or historic monument, for the benefit of the public. The Administrator, from funds appropriated to the War Assets Administration, shall reimburse the Secretary of the Interior for the costs incurred in making any such determination.

(2) Conveyances for park or recreational purposes made pursuant to the authority contained in this subsection shall be made at a price equal to 50 per centum of the fair value of the property conveyed, based on the highest and best use of the property at the time it is offered for disposal, regardless of its former character or use, as determined by the Administrator. Conveyances of property for historic-monument purposes under this subsection shall be made without monetary consideration: *Provided*, That no property shall be determined under this paragraph to be suitable or desirable for use as an historic monument except in conformity with the recommendation of the Advisory Board on National Parks, Historic Sites, Buildings and Monuments established by section 3 of the Act entitled "An Act for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes," approved August 21, 1935 (49 Stat. 666), and no property shall be so determined to be suitable or desirable for such use if (A) its area exceeds that necessary for the preservation and proper observation of the historic monument situated thereon, or (B) it was acquired by the United States at any time subsequent to January 1, 1900.

(3) The deed of conveyance of any surplus real property disposed of under the provisions of this subsection—

(A) shall provide that all such property shall be used and maintained for the purpose for which it was conveyed for a period of not less than twenty years, and that in the event that such property ceases to be used or main-

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tained for such purpose during such period, all or any portion of such property shall in its then existing condition, at the option of the United States, revert to the United States; and

(B) may contain such additional terms, reservations, restrictions, and conditions as may be determined by the Administrator, to be necessary to safeguard the interests of the United States. (Subsection (h) added by Public Law 616, 80th Congress.)

DISPOSITION BY OWNING AGENCY

SEC. 14. (a) Subject only to the regulations of the Board with respect to price policies, any owning agency may dispose of any property for the purpose of war production or authorize any contractor with such agency or subcontractor thereunder to retain or dispose of any contractor inventories for the purpose of war production. The Board may empower any owning agency, subject to the regulations of the Board, to authorize any contractor with such agency or subcontractor thereunder to retain or dispose of any contractor inventories for any other purpose which in the opinion of the Board is not contrary to the objectives of this Act. Where any owning agency takes possession of any contractor inventory from any contractor with the agency or subcontractor thereunder, such property shall be disposed of only in accordance with the provisions of this Act.

(b) Subject only to subsection (c) of this section, any owning agency may dispose of—

(1) any property which is damaged or worn beyond economical repair;

(2) any waste, salvage, scrap, or other similar items;

(3) any product of industrial, research, agricultural, or livestock operations, or of any public works construction or maintenance project, carried on by such agency;

which does not consist of materials which are to be transferred in accordance with the Strategic and Critical Materials Stock Piling Act, to the stock piles established pursuant to that Act.] (As amended by section 6 of Public Law 520, 79th Congress.)

(c) Whenever the Board deems such action necessary to effectuate the objectives and policies of this Act, the Board, by regulations, shall restrict the authority of any owning agency to dispose of any class of surplus property under subsection (b) of this section.

METHODS OF DISPOSITION

SEC. 15. (a) Notwithstanding the provisions of any other law but subject to the provisions of this Act, whenever any Government agency is authorized to dispose of property under this Act, then the agency may dispose of such property by sale, exchange, lease, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions, as the agency deems proper: *Provided, however,* That in the case of raw materials, consumer goods, and small tools, hardware, and nonassembled articles which may be used in the manufacture of more than one type of product, no extension of credit under this Act shall be for a longer period than three years.

(b) Any owning agency or disposal agency may execute such documents for the transfer of title or other interest in property or take such other action as it deems necessary or proper to transfer or dispose of property or otherwise to carry out the provisions of this Act, and, in the case of surplus property, shall do so to the extent required by the regulations of the Board.

DISPOSITIONS TO VETERANS

SEC. 16. (a) The Administrator shall prescribe regulations to effectuate the objectives of this Act to aid veterans in the acquisition of surplus property, in appropriate quantities and types, to enable them to establish and maintain their own small business, professional, or agricultural enterprises. Disposals of surplus property (except real property) to veterans under this subsection shall be given priority over all other disposals of property provided for in this Act except transfers to Government agencies under section 12.] (Added by Public Law 375, 79th Congress (60 Stat. 168).)

(b) Notwithstanding the provisions of section 12 of this Act, the Administrator may cause to be set aside or otherwise to be made available quantities and types of any surplus property, except real property, which he determines to be appropriate for exclusive disposal to veterans for their own personal use, and to enable them to establish and maintain their own small business, professional, or

agricultural enterprises. The Administrator shall prescribe regulations designed to achieve the equitable distribution of such surplus property among veterans. In selecting any types or quantities of surplus property for disposal in accordance with the provisions of this subsection, the Administrator shall give due consideration to the availability of adequate facilities for and the costs of the distribution of such property. The Administrator shall from time to time cause to be compiled and widely publicized information as to the types and quantities of such surplus property which has or will become available within a given period of time for exclusive disposal to veterans in accordance with the provisions of this subsection. (Added by Public Law 375, 79th Congress (60 Stat. 168).)

[(c) The Administrator shall prescribe a reasonable time of not less than 15 days after public notice during which property offered to veterans under this section shall be held for disposal to them.] (Added by Public Law 375, 79th Congress (60 Stat. 168).)

[DISPOSITIONS IN RURAL AREAS

[SEC. 17. The Board shall devise ways and means and prescribe regulations in cooperation with the War Food Administrator providing for the sale of surplus property in such quantities in rural localities and in such manner as will assure farmers and farmers' cooperative associations equal opportunity with others to purchase surplus property: *Provided, however,* That in cases where a shortage of trucks, machinery, and equipment impairs farm production, a program shall be developed by the Board in cooperation with the Agricultural Adjustment Agency whereby a reasonable portion of the surplus supply will be made available for sale in rural areas to farmers and farmers' cooperative associations.

[SMALL BUSINESS

[SEC. 18. (a) It shall be the duty of the Board to devise ways and means and prescribe regulations to prevent any discrimination against small business in the disposal and distribution and use of any surplus property.

[(b) The Board shall by regulations determine, or provide for the determination, as to all surplus property in the hands of each disposal agency, the size of lots in which, and the areas in which, the various classes of such property should be offered consistently with the usual and customary commercial practice with respect to such class. The available supply of each class in each area shall be so disposed of as to give to prospective purchasers, within such area, of any particular amount (not smaller than the smallest lot consistent with such commercial practice) preference (by affording them reasonable opportunity to acquire the desired amount) over prospective purchasers of larger amounts.

[(c) The Smaller War Plants Corporation is hereby specifically charged with the responsibility of cooperating with the Board and with the owning and disposal agencies, of making surveys from time to time, and bringing to the attention of the agencies and the Board the needs and requirements of small business and any cases or situations which have resulted in or would effect discrimination against small business in the purchase or acquisition of surplus property by them and in the disposal thereof by the agencies.

[(d) The Smaller War Plants Corporation is hereby authorized and directed to consult with small business to obtain full information concerning the needs of small business for surplus property.

[(e) (Repealed by section 3 of Public Law 616, 80th Congress).

[(f) The Smaller War Plants Corporation is hereby authorized, for the purpose of carrying out the objectives of this section, to make or guarantee loans to small business enterprises in connection with the acquisition, conversion, and operation of plants and facilities which have been determined to be surplus property, and, in cooperation with the disposal agencies to arrange for sales of surplus property to small business concerns on credit or time basis.

[DISPOSAL OF PLANTS

[SEC. 19. (a) The Board, in cooperation with the various disposal agencies, shall prepare and submit to the Congress within three months after enactment of this Act, a report as to each of the following classes of surplus property (not including any plant which cost the Government less than \$5,000,000): (1) aluminum plants and facilities; (2) magnesium plants and facilities; (3) synthetic rubber plants and facilities; (4) chemical plants and facilities; (5) aviation gasoline plants and facilities; (6) iron and steel plants and facilities; (7) pipe lines and

facilities used for transporting oil; (8) patents, processes, techniques, and inventions, except such as are necessary to the operation of the plants and facilities herein listed; (9) aircraft plants and facilities and aircraft and aircraft parts; (10) shipyards and facilities; (11) transportation facilities; and (12) radio and electrical equipment:

[(A) Describing the amount, cost, and location of the property and setting forth other descriptive information relative to the use of the property;

[(B) Outlining the economic problems that may be created by disposition of the property;

[(C) Setting forth a plan or program for the care and handling, disposition, and use of the property consistent with the policies and objectives set forth in this Act.

[(b) In the event that it is not possible within such period to prepare and submit a complete report to the Congress as to any class of property, the Board shall submit an interim report three months after the enactment of this Act, and shall submit a complete report as soon thereafter as possible. If the Board determines that it is desirable to alter or change any such plan or program or to prepare a report on any other class of property, it shall prepare in accordance with the provisions of this subsection and submit to the Congress an additional report, setting forth the altered or changed plan or program or a plan or program relating to the new class of property.

[(c) Whenever the Board may deem it to be in the interest of the objectives of this Act it may authorize the disposition of any surplus property listed in classes 9 to 12, inclusive, of subsection (a) of this section. With respect to the property listed in classes 1 to 8, inclusive, no disposition shall be made or authorized until thirty days (or sixty days in the case of aluminum plants and facilities) after such report (or additional report) has been made while Congress is in session, except that the Board may authorize any disposal agency to lease any such property for a term of not more than five years.] (Matter within parentheses added by Public Law 200, 79th Congress (59 Stat. 546).)

[(d) The Board may authorize any disposal agency to dispose of any materials or equipment related to any surplus plant covered by this section, if such materials and equipment are not necessary for the operation of the plant in the manner for which it is designed.

[(e) This section shall not apply to any Government-owned equipment, structure, or other property operated as an integral part of a privately owned plant and not capable of economic operation as a separate and independent unit.

[APPLICABILITY OF ANTITRUST LAWS

[SEC. 20. Whenever any disposal agency shall begin negotiations for the disposition to private interests of a plant or plants or other property, which cost the Government \$1,000,000 or more, or of patents, processes, techniques, or inventions, irrespective of cost, the disposal agency shall promptly notify the Attorney General of the proposed disposition and the probable terms or conditions thereof. Within a reasonable time, in no event to exceed ninety days after receiving such notification, the Attorney General shall advise the Board and the disposal agency whether, in his opinion, the proposed disposition will violate the antitrust laws. Upon the request of the Attorney General, the Board or other Government agency shall furnish or cause to be furnished such information as it may possess which the Attorney General determines to be appropriate or necessary to enable him to give the advice called for by this section or to determine whether any other disposition of surplus property violates the antitrust laws. Nothing in this Act shall impair, amend, or modify the antitrust laws or limit and prevent their application to persons who buy or otherwise acquire property under the provisions of this Act. As used in this section, the term "antitrust laws" includes the Act of July 2, 1890 (ch. 647, 26 Stat. 209), as amended; the Act of October 15, 1914 (ch. 323, 38 Stat. 730), as amended; the Federal Trade Commission Act; and the Act of August 27, 1894 (ch. 349, secs. 73, 74, 28 Stat. 570), as amended.

[DISPOSAL OF SURPLUS AGRICULTURAL COMMODITIES

[SEC. 21. (a) Subject to the supervision of the Board, the War Food Administrator, or his successor, shall be solely responsible for the formulation of policies with respect to the disposal of surplus agricultural commodities and surplus foods processed from agricultural commodities, which shall be administered by the disposal agency or agencies designated by the Board. Such policies shall be so formulated as to prevent surplus agricultural commodities, or surplus food pro-

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cessed from agricultural commodities, from being dumped on the market in a disorderly manner and disrupting the market prices for agricultural commodities.

[(b) The Board shall not exercise any of its powers under this Act with relation to disposal of surplus cotton or woolen goods except with the approval in writing of the War Food Administrator or his successor.

[(c) Surplus farm commodities shall not be sold in the United States under this Act in quantities in excess of, or at prices less than, those applicable with respect to sales of such commodities by the Commodity Credit Corporation, or at less than current prevailing market prices, whichever may be the higher, unless such commodities are being disposed of, pursuant to this Act, only for export; and the Commodity Credit Corporation may dispose of or cause to be disposed of for cash or its equivalent in goods or for adequately secured credit, for export only, and at competitive world prices, any farm commodity or product thereof without regard to restrictions with respect to the disposal of commodities imposed upon it by any law: *Provided*, That no food or food product shall be sold or otherwise disposed of under this subsection for export (1) if there is a shortage of such food or food product in the United States or if such sale or other disposition may result in such a shortage, or (2) if such food or food product is needed to supply the normal demands of consumers in the United States.

[STOCK PILING]

(Section 22 was repealed by subsection (c) of section 6 of the "Strategic and Critical Materials Stock Piling Act", Public Law 520, 79th Congress.)

[DISPOSAL OF SURPLUS REAL PROPERTY]

[Sec. 23. (a) As used in this section—

[(1) The term "real property" means property consisting of land, together with any fixtures and improvements thereon (including hotels, apartment houses, hospitals, office buildings, stores, and other commercial structures) located outside the District of Columbia, but does not include (A) commercial structures constructed by, at the direction of, or on behalf of any Government agency, (B) commercial structures which the Administrator determines have been made an integral part of a functional or economic unit which should be disposed of as a whole, and (C) war housing, industrial plants, factories, airports, airport facilities, or similar structures and facilities, or the sites thereof, or land which the Administrator determines essential to the use of any of the foregoing; and (2) The term "surplus real property" means real property which has been determined under section 11 to be surplus property.] (Paragraph 1 as amended by Public Law 635, 79th Congress (60 Stat. 866).)

[(b) Surplus real property which is not disposed of to Government agencies under section 12 or to States or their political subdivisions or instrumentalities under section 13 shall be disposed of in accordance with this section.

[(c) Immediately after the reporting of surplus real property to the Board under section 11, the Board shall classify such property as agricultural, grazing, forest, mineral, or otherwise, as it may deem advisable. The classification may be revised from time to time. The classification of property by the Administrator (including the determination of whether property is "real property" as defined in this section) shall be based on the highest and best use of the property at the time it is reported as surplus property regardless of its former character or use.] (Last sentence added by Public Law 635, 79th Congress (60 Stat. 866).)

[(d) (1) (A) In the case of any surplus real property which was acquired by any Government agency after December 31, 1939, the person from whom such property was acquired shall be given notice, in such manner (which may include publication) as the Board by regulation may prescribe, that the property is to be disposed of by the United States and shall be entitled to purchase such property, in substantially the identical tract as when acquired from such person, at private sale at any time during the period of ninety days following such notice: *Provided*, That such period shall be extended in any case when it appears that such extension is necessary or appropriate to facilitate the sale of any surplus real property under this subsection.

[(B) In the case of real property acquired by any Government agency after December 31, 1939, which either—

[(i) has not been determined under section 11 to be surplus property, or

[(ii) has been disposed of under section 12 or 13, or

[(iii) is classified as suitable for a purpose different from that for which it was used when acquired by the Government, and with respect to which the

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person from whom it was acquired has signified an intention not to exercise the privilege granted under subparagraph (A), the person from whom such property was acquired may be offered other surplus real property in the same area for purchase at private sale, if such other property is classified as suitable for the purpose for which the property so acquired was used when so acquired, and is otherwise similar to the property so acquired.

[(2) In the case of surplus real property which was acquired by any Government agency after December 31, 1939, and which is classified as suitable for agricultural use, if any tenant (who was a tenant at the time of acquisition) of the person from whom such property was acquired, signifies, within a period of ninety days following public notice of sale, his intention to purchase such property, and no person has exercised his privilege under paragraph (1) (A), such tenant shall be entitled to purchase such property, in substantially the identical tract as when acquired by such Government agency, at private sale at any time during such ninety-day period.

[(3) The price to be paid for surplus real property sold under this subsection shall be a price not greater than that for which it was acquired by the United States, such acquisition price being properly adjusted to reflect any increase or decrease in the value of such property resulting from action by the United States, or a price equal to the market price at the time of sale of such property, whichever price is the lower.

[(4) The Board may by regulation prescribe methods for the identification of persons entitled to exercise the privileges conferred by this subsection.

[(e) If any surplus real property is not disposed of under subsection (d)—

[(1) such property, if classified as suitable for agricultural use, shall be subdivided, as provided by the Board, whenever practicable into economic family-size units (taking into consideration the variations in sizes of economic units in different localities); and

[(2) such property, if not classified as suitable for agricultural use, shall be subdivided into the appropriate units in which the Board deems the property should be disposed of, giving due consideration to the character of the property, the economic use to which it is likely to be put, and the objectives of disposition as set forth in this Act.

[(f) (1) Whenever any surplus real property classified as suitable for agricultural, residential, or small business purposes is to be disposed of, except as provided in subsection (d) of this section, veterans shall be granted a preference in the purchase of such property over nonveterans.

[(2) The following procedure shall govern the exercise of veterans' preference rights under this subsection: The disposal agency, under regulations prescribed by the Board, shall fix the price of each unit into which the property is subdivided under subsection (e) after taking into consideration the then current market value, the character of the property, and, if income-producing property, the estimated earning capacity thereof. Before any such property is disposed of, except under subsection (d), any veteran may apply for the purchase of any or all units offered for sale at the price so fixed. The Board shall prescribe the time within which application shall be made and shall give such notice thereof as it deems reasonable to enable veterans to exercise their rights under this subsection. The Board shall provide for the selection of the purchaser of each unit by lot from among the applicants for the unit. If any applicant is selected as the purchaser of more than one unit, he shall elect which one to take, whereupon the right to purchase the remaining units shall go to the remaining applicants in the order in which their names were drawn. No veteran may apply for the purchase of any property under the provisions of this subsection if he has previously exercised a preference right under this section and has acquired property pursuant thereto. Sales to veterans under this subsection shall be upon such terms as the Board may prescribe.

[(g) In the case of the death of a person entitled under this section to rights as a former owner or veteran, his spouse and children, in that order, shall succeed to such rights of the decedent existing at the time of his death. Any preference right under subsection (f) to which a person would have been entitled except for his death while in the active military or naval service of the United States, shall be extended to his spouse and children, in that order. No preference right may be assigned or exercised by power of attorney or through a power to select except as may be permitted by regulations prescribed by the Board in order to prevent the loss of such right by the holder thereof.

[(h) A certificate by the disposal agency that the provisions of subsections (d), (f), and (g) have been complied with in the case of any property and that no quali-

fied applicant has made application to exercise his privilege to purchase within the time limits fixed by or pursuant to this Act, shall terminate all privileges to purchase such property.

[(i)] In the case of surplus real property which is classified as suitable for agricultural use and which is not disposed of under subsection (d) or (f), such property (after subdivision as provided in subsection (c) (1)) shall be disposed of insofar as possible only to persons who expect to cultivate the land and to operate it for a livelihood. The Department of Agriculture is authorized and directed, within the limits of its current functions under the Bankhead-Jones Farm Tenant Act, to extend needed financial and other assistance to persons eligible for such assistance under the Bankhead-Jones Farm Tenant Act and the Servicemen's Readjustment Act of 1944, in connection with the disposal of surplus agricultural lands pursuant to this subsection.

[(j)] In the case of sales of real property under this section or under any other provision of this Act, the form of deed or instrument of transfer shall be approved by the Attorney General. Deeds or other instruments containing general or special warranties of title may be issued and delivered to purchasers provided such warranties have been recommended and approved by the Attorney General. In determining whether general or special warranty deeds to properties may be issued and delivered, the Attorney General is authorized to approve the issuance and delivery of warranty deeds where titles are subject to infirmities of such character that in his opinion the interests of the United States will not be jeopardized under its warranty.

REPORTS TO CONGRESS

[SEC. 24. Within three months after the enactment of this Act, and thereafter in January, April, July, and October of each year, the Board shall submit to the Senate and House of Representatives a progress report on the exercise of its authority and discretion under this Act, the status of surplus property disposition, and such other pertinent information on the administration of the Act as will enable the Congress to evaluate its administration and the need for amendments and related legislation.

TITLE OF PURCHASER

[SEC. 25. A deed, bill of sale, lease, or other instrument executed by or on behalf of any Government agency purporting to transfer title or any other interest in property under this Act shall be conclusive evidence of compliance with the provisions of this Act insofar as title or other interest of any bona fide purchasers for value, or lessees, as the case may be, is concerned.

CIVIL REMEDIES AND PENALTIES

[SEC. 26. (a) Where any property is disposed of in accordance with this Act and any regulations prescribed under this Act, no officer or employee of the Government shall (1) be liable with respect to such disposition except for his own fraud or (2) be accountable for the collection of any purchase price which is determined to be uncollectible by the agency responsible therefor.

[(b)] Every person who shall use or engage in or cause to be used or engaged in any fraudulent trick, scheme, or device, for the purpose of securing or obtaining, or aiding to secure or obtain, for any person any payment, property, or other benefits from the United States or any Government agency in connection with the disposition of property under this Act; or who enters into an agreement, combination, or conspiracy to do any of the foregoing—

[(1)] shall pay to the United States the sum of \$2,000 for each such act, and double the amount of any damage which the United States may have sustained by reason thereof, together with the costs of suit; or

[(2)] shall, if the United States shall so elect, pay to the United States, as liquidated damages, a sum equal to twice the consideration agreed to be given by such person to the United States or any Government agency; or

[(3)] shall, if the United States shall so elect, restore to the United States the property thus secured and obtained and the United States shall retain as liquidated damages any consideration given to the United States or any Government agency for such property.

[(c)] The several district courts of the United States, the District Court of the United States for the District of Columbia, and the several district courts of the Territories of the United States, within whose jurisdictional limits the person, or persons, doing or committing such act, or any one of them, resides or shall be found,

shall wheresoever such act may have been done or committed, have full power and jurisdiction to hear, try, and determine such suit.

[(d) The civil remedies provided in this section shall be in addition to all other criminal penalties and civil remedies provided by law.

[PRACTICE BY FORMER EMPLOYEES

[Sec. 27. No person employed by any Government agency, including commissioned officers assigned to duty in such agency, shall, during the period such person is engaged in such employment or service, or for a period of two years after the time when such employment or service has ceased, act as counsel, attorney, or agent, or be employed as representative, in connection with any matter involving the disposition of surplus property by the agency in which such person was employed, if such person during his employment with such agency ratified, approved, or authorized the disposition of any surplus property pursuant to the provisions of this Act or recommended any such approval, authorization, or ratification as part of his official duties. Any person violating the provisions of this section shall be fined not more than \$10,000, or imprisoned for not more than one year, or both.]

STATUTE OF LIMITATIONS

Sec. 28. The first section of the Act of August 24, 1942 (56 Stat. 747), as amended, is amended to read as follows:

"The running of any existing statute of limitations applicable to any offense against the laws of the United States (1) involving defrauding or attempts to defraud the United States or any agency thereof whether by conspiracy or not, and in any manner, or (2) committed in connection with the negotiation, procurement, award, performance, payment for, interim financing, cancellation or other termination or settlement, of any contract, subcontract, or purchase order which is connected with or related to the prosecution of the present war, or with any disposition of termination inventory by any war contractor or Government agency, or (3) committed in connection with the care and handling and disposal of property under the Surplus Property Act of 1944, shall be suspended until three years after the termination of hostilities in the present war as proclaimed by the President or by a concurrent resolution of the two Houses of Congress. This section shall apply to acts, offenses, or transactions where the existing statute of limitations has not yet fully run, but it shall not apply to acts, offenses, or transactions which are already barred by provisions of existing law."

[MISCELLANEOUS PROVISIONS

[Sec. 29. Surplus property disposals may be made without regard to any provision in existing law for competitive bidding, unless the Board shall determine that disposal by competitive bid will in a given case better effectuate the policy of the Act.

[DISPOSITION OF PROCEEDS

[Sec. 30. (a) All proceeds from any transfer or disposition of property under this Act shall be covered into the Treasury as miscellaneous receipts, except as provided in subsections (b), (c), and (d) of this section.

[(b) Where the property transferred or disposed of was acquired by the use of funds either not appropriated from the general fund of the Treasury or appropriated from the general fund of the Treasury but by law reimbursable from assessment, tax, or other revenue or receipts, then upon the request of the interested agency the net proceeds of the disposition or transfer shall be credited to the reimbursable fund or appropriation or paid to the owning agency. As used in this subsection the term "net proceeds of the disposition or transfer" means the proceeds of the disposition or transfer minus all expenses incurred for care and handling and disposition or transfer.

[(c) To the extent authorized by the Board, any Government agency disposing of property under this Act (1) may deposit, in a special account with the Treasurer of the United States, such amount of the proceeds of such dispositions as it deems necessary to permit appropriate refunds to purchasers when any disposition is rescinded or does not become final, or payments for breach of any warranty, and (2) may withdraw therefrom amounts so to be refunded or paid, without regard to the origin of the funds withdrawn.

[(d) Where a contract or subcontract authorizes the proceeds of any sale of property in the custody of the contractor or subcontractor to be credited to the

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price or cost of the work covered by such contract or subcontract, the proceeds of any such sale shall be credited in accordance with the contract or subcontract.

[(c) Where the disposal agency acquires or retains any mortgage, lien, or other interest as security in connection with any transfer or disposition of property under this Act, the disposal agency shall retain, preserve, and manage such security and may enforce and settle any right of the Government with respect thereto in such manner and upon such terms as it deems in the best interest of the Government. The Board may prescribe regulations to govern the exercise of the authority granted under this subsection.

[USE OF APPROPRIATED FUNDS

[Sec. 31. (a) Any Government agency is authorized to use for the disposition of property under this Act, and for its care and handling pending such disposition, any funds heretofore or hereafter appropriated, allocated, or available to it for the purpose of production or procurement of such property.

[(b) Any Government agency is authorized to use for the acquisition of any surplus property under this Act any funds heretofore or hereafter appropriated, allocated, or available to it for the acquisition of property of the same kind.

[(c) There are authorized to be appropriated such sums as may be necessary or appropriate for administering the provisions of this Act.

[DISPOSITIONS OUTSIDE UNITED STATES

[Sec. 32. (a) Nothing in this Act shall limit or affect the authority of commanders in active theaters of military operations with respect to property in their control.

[(b) (1) The provisions of this Act shall be applicable to disposition of property within the United States and elsewhere, but the Secretary of State may exempt from some or all of the provisions hereof dispositions of property located outside of the continental United States, Hawaii, Alaska (including the Aleutian Islands), Puerto Rico, and the Virgin Islands, whenever he deems that such provisions would obstruct the efficient and economic disposition of such property in accordance with the objectives of this Act. In addition to the authority conferred by section 15 of this Act, the Department of State may dispose of surplus property located outside the continental United States, Hawaii, Alaska (including the Aleutian Islands), Puerto Rico, and the Virgin Islands, for foreign currencies or credits, or substantial benefits or the discharge of claims resulting from the compromise, or settlement of such claims by any Government agency in accordance with the law, whenever the Secretary of State determines that it is in the interest of the United States to do so and upon such terms and conditions as he may deem proper. Any foreign currencies or credits acquired by the Department of State pursuant to this subsection shall be administered in accordance with procedures that may from time to time be established by the Secretary of the Treasury and, if and when reduced to United States currency, shall be covered into the Treasury as miscellaneous receipts.]

(2) In carrying out the provisions of this section, the Secretary of State is hereby authorized to enter into an executive agreement or agreements with any foreign government for the use of currencies, or credits for currencies, of such government acquired as a result of such surplus property disposals; for the purpose of providing, by the formation of foundations or otherwise, for (A) financing studies, research, instruction, and other educational activities of or for American citizens in schools and institutions of higher learning located in such foreign country, or of the citizens of such foreign country in American schools and institutions of higher learning located outside the continental United States, Hawaii, Alaska (including the Aleutian Islands), Puerto Rico, and the Virgin Islands, including payment for transportation, tuition, maintenance, and other expenses incident to scholastic activities; or (B) furnishing transportation for citizens of such foreign country who desire to attend American schools and institutions of higher learning in the continental United States, Hawaii, Alaska (including the Aleutian Islands), Puerto Rico, and the Virgin Islands, and whose attendance will not deprive citizens of the United States of an opportunity to attend such schools and institutions: *Provided, however,* That no such agreement or agreements shall provide for the use of an aggregate amount of the currencies, or credits for currencies, of any one country in excess of \$20,000,000 or for the expenditure of the currencies, or credits for currencies, of any one foreign country in excess of \$1,000,000 annually at the official rate of exchange for such currencies, unless otherwise authorized by Congress, nor shall any such agreement relate to any subject other than the use and

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expenditure of such currencies or credits for currencies for the purposes herein set forth: *Provided further*, That for the purpose of selecting students and educational institutions qualified to participate in this program, and to supervise the exchange program authorized herein, the President of the United States is hereby authorized to appoint a Board of Foreign Scholarships, consisting of ten members, who shall serve without compensation, composed of representatives of cultural, educational, student and war veterans groups, and including representatives of the United States Office of Education, the United States Veterans' Administration, State educational institutions, and privately endowed educational institutions: *And provided further*, That in the selection of American citizens for study in foreign countries under this paragraph preference shall be given to applicants who shall have served in the military or naval forces of the United States during World War I or World War II, and due consideration shall be given to applicants from all geographical areas of the United States. The Secretary of State shall transmit to the Congress not later than the 1st day of March of each year a report of operations under this paragraph during the preceding calendar year. Such report shall include the text of any agreements which have been entered into hereunder during the preceding calendar year, and shall specify the names and addresses of American citizens who are attending schools or institutions of higher learning in foreign countries pursuant to such agreements, the names and locations of such schools and institutions, and the amounts of the currencies or credits for currencies expended for any of the purposes under this paragraph in each such foreign country during the preceding calendar year. (As amended by Public Law 584, 79th Congress (60 Stat. 754).)

[RESTRICTIONS ON IMPORTATION OF SURPLUS PROPERTY INTO UNITED STATES

[SEC. 33. (a) It is the policy of this Act to prohibit, so far as feasible and necessary to carry out the objectives of this Act, the importation into the United States of surplus property sold abroad or for export. The Board shall prescribe regulations to carry out such policy, and the importation of surplus property into the United States is hereby prohibited to the extent specified in such regulations. The Secretary of the Treasury is authorized and directed to provide for the enforcement of such regulations.

[(b) Surplus property sold to members of the armed forces abroad may be brought into the United States without regard to the provisions of subsection (a) if brought in by the original purchaser and upon certificate by him that he is bringing the property into the United States for his personal use.

[SAVING PROVISIONS

[SEC. 34. (a) The authority conferred by this Act is in addition to any authority conferred by any other law and shall not be subject to the provisions of any law inconsistent herewith. This Act shall not impair or affect any authority for the disposition of property under any other law, except that the Board may prescribe regulations to govern any disposition of surplus property under any such authority to the same extent as if the disposition were made under this Act, whenever it deems such action necessary to effectuate the objectives and policies of this Act.

[(b) Nothing in this Act shall impair or affect the provisions of the Contract Settlement Act of 1944; the Emergency Price Control Act of 1942, as amended; the Act of October 2, 1942 (ch. 578, 56 Stat. 765), as amended; section 301 of the Second War Powers Act, 1942; the Act of March 11, 1941 (55 Stat. 31), as amended; the Tennessee Valley Authority Act of 1933, as amended; Public Law 849, Seventy-sixth Congress, as amended, respecting war housing and facilities; the Act of June 7, 1939, relating to the acquisition of strategic and critical materials (53 Stat. 811); the Trading With the Enemy Act, as amended; section 43 of the Bankhead-Jones Farm Tenant Act, as amended; Acts supplemental to any of the foregoing; any law regulating the exportation of property from the United States; the internal-revenue laws; the statutes relating to the public lands; or any criminal law of the United States.

[(c) Nothing in this Act shall be deemed to impair or modify any contract, or any term or provision of any contract, without the consent of the contractor, if the contract or the term or provision thereof is otherwise valid.

[TEMPORARY APPLICABILITY OF EXISTING PROCEDURES

[SEC. 35. All policies and procedures relating to surplus property prescribed by the Surplus War Property Administration, created by Executive Order Num-

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bered 9425, dated February 19, 1944, or any other Government agency, in effect upon the effective date of this Act, and not inconsistent with this Act, shall remain in full force and effect unless and until superseded by regulations prescribed under this Act.

TERMINATION INVENTORIES

Sec. 36. (a) The Congress recognizes that upon termination of war contracts, the plants of war contractors will be filled with vast termination inventories which until removed or disposed of will prevent or interfere with the resumption of civilian production and reemployment, and that so far as possible decisions should be made in advance of termination for the disposition and removal of such termination inventories without delay when termination occurs. Measures should be taken to realize the greatest possible value from termination inventories.

(b) In advance of termination, to the maximum extent practicable—

(1) each contracting agency shall advise its war contractors of the classes of termination inventory the contracting agency will wish to retain for military purposes; and

(2) the Board shall establish procedures for advising war contractors as to the care and handling and disposition of termination inventory not required for military purposes, in order to effectuate the policies stated in subsection (a) of this section and the policies of section 11 (a) (3) of the Contract Settlement Act of 1944.

(c) To the extent that it is impracticable so to advise war contractors in advance of termination, the contracting agencies and the Board shall be prepared to give such advice as soon as practicable after termination of the war contract.

(d) The Board and the Director of Contract Settlement shall cooperate in carrying out the provisions of this section.

(e) For the purposes of this section, the terms "contracting agency", "termination inventory", and "war contractor" shall have the meanings assigned to such terms by section 3 of the Contract Settlement Act of 1944.

INCREASE IN LOAN RATE ON COTTON

Sec. 37. (a) Section 8 (a) (1) of the Stabilization Act of 1942, as amended (relating to loans upon certain agricultural commodities), is amended by striking out "at the rate in the case of cotton of 92½ per centum" and inserting in lieu thereof "at the rate in the case of cotton of 95 per centum".

(b) The amendment made by this section shall be applicable only with respect to crops harvested after December 31, 1943, but shall not apply to crops planted after 1944. In the case of loans made under such section 8 upon any of the 1944 crop of cotton before the amendment made by this section takes effect, the Commodity Credit Corporation is authorized and directed to increase or provide for increasing the amount of such loans to the amount of the loans which would have been made if the loan rate specified in the amendment made by this section had been in effect at the time the loans were made.

EXPIRATION DATE

Sec. 38. Unless extended by law, this Act shall expire at the end of three years following the date of the cessation of hostilities in the present war. For the purposes of this section the term "date of the cessation of hostilities in the present war" means the date proclaimed by the President as the date of such cessation, or the date specified in a concurrent resolution of the two Houses of Congress as the date of such cessation, whichever is the earlier.

SEPARABILITY OF PROVISIONS

Sec. 39. If any provision of this Act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this Act or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

Section 502 (a) (1): * * * and sections 501 and 502 of Reorganization Plan No. 1 of 1947 * * *:

Sec. 501. War Assets Administration and War Assets Administrator.—All functions of the War Assets Administration and of the War Assets Administrator established by Executive Order No. 9689 of January 31, 1946, are transferred to

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the Surplus Property Administration and the Surplus Property Administrator, respectively, which were created by the Act of September 18, 1945 (59 Stat. 533, ch. 368). The latter agencies shall hereafter be known as the War Assets Administration and the War Assets Administrator, respectively. The agencies established by Executive Order No. 9689 are abolished. The functions transferred by this section shall be performed by the War Assets Administrator or, subject to his direction and control, by such officers and agencies of the War Assets Administration as he may designate: *Provided*, That the functions specifically vested in the Surplus Property Administrator by the Surplus Property Act of 1944, as amended, and by the Act of September 18, 1945, shall be performed by the War Assets Administrator or by the Associate Administrator as provided in section 502 hereof.

【SEC. 502. *Associate War Assets Administrator.*—There shall be in the War Assets Administration an Associate War Assets Administrator, who shall be appointed by the President by and with the advice and consent of the Senate and shall receive compensation at the rate of \$10,000 per annum. The Associate War Assets Administrator shall act for the War Assets Administrator in all matters during the absence or disability of the Administrator, or in the event of a vacancy in the office of Administrator, and shall perform such other duties as the Administrator may prescribe.】

Section 502 (a) (2): That portion of the Act entitled “An Act making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes”, approved June 30, 1948 (Public Law 862, Eightieth Congress), as amended, appearing under the caption “Surplus Property Disposal”:

【“SURPLUS PROPERTY DISPOSAL

【Effective February 28, 1949, the Office of War Assets Administrator is abolished and the War Assets Administration shall cease to exist as an agency of the Government and its affairs, functions, and responsibilities shall thereafter be disposed of and liquidated in accordance with the following:

【(1) All powers, authority, functions and responsibilities of the War Assets Administrator and of the War Assets Administration pertaining to surplus real property, which as used herein shall mean land and interests in land together with buildings, fixtures, facilities, utilities, equipment, and other property located thereon or adapted to use in connection with such property for its highest and best use, and all right, title and interest in notes, mortgages, and contracts of sale or lease in connection with surplus real property shall be transferred to the Reconstruction Finance Corporation, to be held and disposed of by such Corporation in accordance, except as provided herein, with the terms of the Surplus Property Act of 1944, as amended;

【(2) All aircraft and aircraft parts shall be transferred to the Department of the Air Force to be held and disposed of by such Department in accordance, except as provided herein, with the terms of the Surplus Property Act of 1944, as amended;

【(3) All personal property (other than aircraft and aircraft parts), except such as may be necessary to the liquidation of the War Assets Administration or the exercise of the functions transferred herein, shall be transferred to the Bureau of Federal Supply, Treasury Department, to be held and disposed of by such Bureau in accordance, except as provided herein, with the terms of the Surplus Property Act of 1944, as amended;

【(4) Except as necessary to the administration of the functions herein transferred to the Department of the Air Force, the Reconstruction Finance Corporation, and the Bureau of Federal Supply, all administrative property, records, and accounts of the War Assets Administration shall be transferred to the Treasury Department for liquidation of the affairs of the War Assets Administration;

【(5) Such administrative property, records, and personnel of the War Assets Administration as determined by the Director of the Bureau of the Budget to be necessary to the administration of any of the functions herein transferred shall be transferred to the agency to which such function is transferred: *Provided*, That the right to retention in employment by the Government of the personnel so transferred shall be neither greater nor less than such right would have been had the War Assets Administration continued as an Independent agency of the Government;

【(6) The provisions of section 9 of the Reorganization Act of 1945 (Public Law 263, Seventy-ninth Congress) shall apply to the transfers effected by this

paragraph in like manner as if such transfer were a reorganization of the agencies and functions concerned under the provisions of that Act;

[(7) Priorities and preferences, provided for in the Surplus Property Act of 1944, as amended, shall not continue beyond August 31, 1948, as to the disposal of personal property but shall continue as to the disposal of real estate;

[(8) The agencies herein authorized to dispose of surplus personal property may, after the date of enactment hereof, transfer any of such property without charge to any other agency of the Government if such property, by such transfer, can be put to public use by the transferee agency;

[(9) The agencies herein authorized to dispose of surplus property shall proceed with due diligence and use all reasonable means within the purview of this Act and the Surplus Property Act of 1944, as amended, to accomplish such purpose at the earliest practicable date and shall report to the Committees on Appropriations of the Senate and the House of Representatives at the end of each month as to progress made;

[(10) The Secretary of the Treasury, the Secretary of the Air Force, or the Chairman of the Board of Directors of the Reconstruction Finance Corporation may authorize the abandonment, destruction, or donation to public bodies of personal property herein transferred to their respective agencies which has no commercial value or the estimated cost of care and handling of which would exceed the estimated proceeds from its sale;

[(11) The Surplus Property Act of 1944, as amended, shall not apply to property of the Government which has not been declared surplus under the terms of such Act as of the date of enactment hereof, and any such property determined to be surplus shall be disposed of in accordance with the terms of other existing law.]

Section 502 (a) (3): The Act entitled "An Act to authorize the Secretary of War to dispose of material no longer needed by the Army," approved February 28, 1936 (49 Stat. 1147; 10 U. S. C. 1258):

[That the Secretary of War be, and he is hereby, authorized in his discretion to dispose of, without charge, except for costs of transportation, handling, and packing, to such schools as he may select, for use in courses of vocational training and instruction, such machinery, mechanical equipment, and tools as may be obsolete or no longer needed by the Army.]

Section 502 (a) (4): The Act entitled "An Act to authorize the Secretary of the Navy to dispose of material no longer needed by the Navy," approved May 23, 1930, as amended (46 Stat. 378; 34 U. S. C. 435c):

[That the Secretary of the Navy be, and he is hereby, authorized in his discretion to dispose of, without charge, except for transportation and delivery, to properly accredited schools, colleges, and universities, for use in courses of vocational training and instruction, such machinery, mechanical equipment, tools, boats, and boat equipment as may be obsolete or no longer needed by the Navy.]

Section 502 (a) (5): Section 5 of the Act of July 11, 1919 (41 Stat. 67; 40 U. S. C. 311):

[That the heads of the several executive departments and other responsible officials, in expending appropriations contained in this or any other Act, so far as possible shall purchase material, supplies, and equipment, when needed and funds are available, from other services of the Government possessing material, supplies, and equipment no longer required because of the cessation of war activities. It shall be the duty of the heads of the several executive departments and other officials, before purchasing any of the articles described herein, to ascertain from the other services of the Government whether they have articles of the character described that are serviceable, and articles purchased by one service from another, if the same have not been used, shall be paid for at a reasonable price not to exceed actual cost, and if the same have been used, at a reasonable price based upon length of usage. The various services of the Government are authorized to sell such articles under the conditions specified, and the proceeds of such sales shall be covered into the Treasury as a miscellaneous receipt: *Provided*, That this section shall not be construed to amend, alter, or repeal the Executive order of December 3, 1918, concerning the transfer of office material, supplies, and equipment in the District of Columbia falling into disuse because of the cessation of war activities.]

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Section 502 (a) (6): Section 1 of the Act of December 20, 1928 (45 Stat. 1030; 40 U. S. C. 311a):

【Provided, That the Executive order of December 3, 1918, shall apply to all materials, supplies, and equipment now or hereafter becoming surplus or unusable in any executive department of independent Government establishment in the District of Columbia and shall continue in effect hereafter without modification, except that the prices charged for reissued surplus materials, supplies, and equipment shall be the estimated current market value at time of issue, and that the proceeds from the transfer of appropriations thereunder shall be covered into the Treasury as miscellaneous receipts: Provided further, That the heads of the executive departments and independent establishments and the Commissioners of the District of Columbia hereafter shall cooperate with the Secretary of the Treasury in connection with the storage and delivery of material, supplies, and equipment transferred under the foregoing provisions.】

Section 502 (a) (7): The Act entitled "An Act to authorize the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force to donate excess and surplus property for educational purposes", approved July 2, 1948 (Public Law 889, Eightieth Congress):

【That the Secretary of the Army, Secretary of the Navy and Secretary of the Air Force are hereby authorized in their discretion to donate for educational purposes in the States, Territories, and possessions without cost, except for costs of packing, transportation, and delivery, such equipment, materials, books, and other supplies as may be obsolete or no longer needed by the Army, Navy, or Air Force and which any such Secretary or the United States Commissioner of Education, Federal Security Agency, may consider usable for educational purposes.】

【Sec. 2. All property which the Secretary of the Army, Secretary of the Navy, or Secretary of the Air Force may so donate, except that donated in accordance with section 3 hereof, shall be allocated on the basis of needs and utilization by the United States Commissioner of Education for transfer by the owning agency directly to schools, colleges, or universities or to State Departments of Education, for distribution by the State to tax-supported schools, colleges, and universities and other nonprofit schools, colleges, and universities which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code; except in any State where another agency is designated by State law for such purposes such transfer shall be made to said agency for such distribution within the State.】

【Sec. 3. The Secretary of the Army, the Secretary of the Navy, or the Secretary of the Air Force may donate such of the property specified in section 1 hereof as they consider usable for educational purposes to those educational activities that are of special interest to the armed services, such as maritime academies or military, naval, air force, or coast guard preparatory schools.】

Section 502 (a) (8): Section 203 of the Act of June 26, 1943 (57 Stat. 195, as amended; 5 U. S. C. 118d-1):

【In purchasing motor-propelled or animal-drawn vehicles or tractors, or road, agricultural, manufacturing, or laboratory equipment, or boats, or parts, accessories, tires, or equipment thereof, or any other article or item the exchange of which is authorized by law, the head of any department or his duly authorized representative may exchange allowances or proceeds of sales in such cases in whole or in part payment therefor: Provided, That any transaction carried out under the authority of this section shall be evidenced in writing.】

Section 502 (a) (9): The Act of April 15, 1937 (50 Stat. 64; 5 U. S. C. 118d):

【That any government department is authorized to exchange used parts of mechanical refrigerators, hermetically sealed refrigerating units, temperature-control devices and watchmen's clocks as payment, in full or in part, for new or reconditioned parts to be used for the same purpose as those proposed to be exchanged.】

Section 502 (a) (10): The second proviso contained in the paragraph of the Act of August 10, 1912 (37 Stat. 296; 5 U. S. C. 545), headed "Contingent expenses, Department of Agriculture":

【Provided further that the Secretary of Agriculture may exchange typewriters and computing, addressing, and duplicating machines purchased from any lump-fund appropriation of the Department of Agriculture.】

Section 502 (a) (11): The second proviso contained in the twentieth paragraph of section 1 of the Act of March 2, 1917 (39 Stat. 973; 5 U. S. C. 494):

That not to exceed \$200,000 of applicable appropriations made herein for the Bureau of Indian Affairs shall be available for the maintenance, repair, and operation of motor-propelled and horse-drawn passenger-carrying vehicles for the use of superintendents, farmers, physicians, field matrons, allotting, irrigation, and other employees in the Indian field service: *Provided*, That not to exceed \$15,000 may be used in the purchase of horse-drawn passenger-carrying vehicles, and not to exceed \$30,000 for the purchase of motor-propelled passenger-carrying vehicles, and that such vehicles shall be used only for official service: **【Provided further, That the Secretary of the Interior may hereafter exchange automobiles in part payment for new machines used for the same purpose as those proposed to be exchanged】.**

Section 502 (a) (12): The twenty-sixth paragraph under the heading "National Parks" of the Act of January 24, 1923 (42 Stat. 1215; 16 U. S. C. 9):

【The National Park Service may exchange hereafter, as part consideration, in the purchase of new equipment, motor vehicles, and any other equipment for use in the national parks.】

Section 502 (a) (13): The fifth paragraph under the heading "Experiments and demonstrations in livestock production in the cane-sugar and cotton districts of the United States" of the Act of June 30, 1914 (38 Stat. 441; 5 U. S. C. 546):

【The Secretary of Agriculture may hereafter exchange general scientific apparatus and laboratory equipment purchased from any appropriation of the Department of Agriculture.】

Section 502 (a) (14): The proviso contained in the second paragraph under the heading "Library, Department of Agriculture" of the Act of March 4, 1915 (38 Stat. 1107; 5 U. S. C. 548):

【Provided, That hereafter the Secretary of Agriculture may exchange books and periodicals of the library not needed for permanent use for other books and periodicals.】

Section 502 (a) (15): The second proviso contained in the second paragraph under the heading "Clothing and camp and garrison equipage" of section 1 of the Act of August 29, 1916 (39 Stat. 635; 10 U. S. C. 1271):

【Provided further, That hereafter sewing machines and other labor-saving machinery used in the manufacture of clothing and equipage, motor trucks and passenger-carrying vehicles, and band instruments, may be exchanged in part payment for new machines, vehicles, and instruments used for the same purpose as those proposed to be exchanged】.

Section 502 (a) (16): The Act of May 11, 1939 (53 Stat. 739; 10 U. S. C. 1271a):

【That the Secretary of War be, and he is hereby, authorized to exchange obsolete, unsuitable, and unserviceable machines and tools, and parts thereof, pertaining to the manufacture or repair of ordnance matériel for use in the national defense, for new machines and tools of the same or equivalent general character.】

Section 502 (a) (17): The fifth paragraph under the heading "Office of the Chief Signal Officer" of the Act of May 12, 1917 (40 Stat. 43, as amended; 10 U. S. C. 1272):

[That subject to the approval of the Secretary of War, motor-propelled vehicles, airplanes, engines, and parts thereof, balloons, and appurtenances may be exchanged in part payment for new equipment of the same or similar character to be used for the same purposes as those proposed to be exchanged.]

Section 502 (a) (18): The third proviso contained in the second paragraph under the heading "Office of the Chief Signal Officer" of the Act of March 4, 1915 (38 Stat. 1064; 10 U. S. C. 1273):

[Provided further, That hereafter the Signal Corps may exchange typewriters and adding machines in the purchase of similar equipment.]

Section 502 (a) (19): The fourteenth paragraph under the heading "Smithsonian Institution" of section 1 of the Act of March 3, 1915 (38 Stat. 839; 20 U. S. C. 66):

[Hereafter the Government branches under the direction of the Smithsonian Institution may exchange typewriters, adding machines, and other labor-saving devices in part payment for like articles.]

Section 502 (a) (20): The second paragraph under the heading "Government hospital for the insane" of section 1 of the Act of August 1, 1914 (38 Stat. 649; 24 U. S. C. 173):

[Authority is granted to sell or exchange condemned typewriting machines, laundry machinery, and other equipment, applying the proceeds therefrom to replacing new equipment for the Government Hospital for the Insane.]

Section 502 (a) (21): The second paragraph under the heading "Saint Elizabeths Hospital" of section 1 of the Act of June 12, 1917 (40 Stat. 153; 24 U. S. C. 174):

[Authority is granted hereafter to exchange laundry machinery and other equipment in purchasing new equipment of the same or like character.]

Section 502 (a) (22): The proviso contained in the second paragraph under the heading "Bureau of Supplies and Accounts" of the Act of August 22, 1912 (37 Stat. 346; 34 U. S. C. 531a):

[Provided, That hereafter worn-out typewriting and computing machines for the Naval Establishment may be exchanged as a part of the purchase price of new ones.]

Section 502 (a) (23): The second proviso of the first paragraph under the heading "Bureau of Yards and Docks" of the Act of August 29, 1916 (34 U. S. C. 532):

[Provided further, That hereafter worn-out motor-propelled vehicles for the Naval Establishment may be exchanged as a part of the purchase price of new ones.]

Section 502 (a) (24): The proviso contained in the second paragraph under the heading "Maintenance, Quartermaster's Department, Marine Corps" of the Act of March 4, 1917 (39 Stat. 1189; 34 U. S. C. 723):

[Provided, That hereafter worn-out sewing machines, machinery, rubber tires, and band instruments may be exchanged in part payment for the purchase of like articles.]

Section 502 (a) (25): The twentieth paragraph under the heading "Bureau of Mines" of section 1 of the Act of July 19, 1919 (41 Stat. 200; 40 U. S. C. 118):

[Authority is hereby granted to the Secretary of the Interior to exchange, as part consideration in the purchase of new equipment, motor vehicles and any

other equipment used by said fuel yards.] (Functions in respect to fuel yards were subsequently transferred by Executive Orders to the Bureau of Federal Supply in the Treasury Department.)

Section 502 (a) (26): The first sentence of section 5 of the Act of March 4, 1915 (38 Stat. 1161; 41 U. S. C. 26):

[That the executive departments and other Government establishments and all branches of the public service may hereafter exchange typewriters, adding machines, and other similar labor-saving devices in part payment for new machines used for the same purpose as those proposed to be exchanged.]

Section 502 (a) (27): The third paragraph under the heading "Interstate Commerce Commission" of section 1 of the Act of August 1, 1914 (38 Stat. 627; 49 U. S. C. 58):

[Hereafter the Interstate Commerce Commission may exchange typewriters, adding machines, and other labor-saving devices in part payment for like articles.]

Section 502 (a) (28): The Act of June 6, 1941 (55 Stat. 247; 14 U. S. C. 31b):

[That the Secretary of the Navy, insofar as Navy property is concerned, and the Secretary of the Treasury, insofar as Coast Guard property is concerned, are respectively authorized to exchange motor-propelled vehicles, airplanes, engines, and parts thereof, and obsolete, unsuitable, and unserviceable machines and tools, and parts thereof, in part payment for new equipment of the same or similar character as those proposed to be exchanged.]

Section 502 (a) (29): The word "proportionate" and the words "including, breaking, shrinkage, transportation, cost of handling, by the Treasury Department, and inspection", appearing in section 2, of the Act of February 27, 1929 (ch. 354, 45 Stat. 1342; 41 U. S. C. (7b)):

Sec. 2. That each executive department and independent establishment shall furnish from time to time, when called on to do so, estimates of its requirements for inclusion in purchases which it is proposed to have made by the Secretary of the Treasury, and there shall be reserved from proper appropriations sufficient amounts in each case to reimburse the general supply fund hereinafter created. The General Supply Committee shall charge the [proportionate] cost of supplies, [including breakage, shrinkage, transportation, cost of handling by the Treasury Department, and inspection,] and bill the same to each requisitioning department; and each requisitioning department and independent establishment shall reimburse said general supply fund out of its appropriation upon proper vouchers.

Section 502 (b): The provisions of the first, third, and fifth paragraphs of section 1 of Executive Order Numbered 6166 of June 10, 1933, are hereby superseded, insofar as they relate to any function now administered by the Bureau of Federal Supply except functions with respect to standard contract forms:

[SECTION 1. PROCUREMENT

[The function of determination of policies and methods of procurement, warehousing, and distribution of property, facilities, structures, improvements, machinery, equipment, stores, and supplies exercised by any agency is transferred to a Procurement Division in the Treasury Department, at the head of which shall be a Director of Procurement.

* * * * *
[In respect of any kind of procurement, warehousing, or distribution for any agency the Procurement Division may, with the approval of the President, (a) undertake the performance of such procurement, warehousing, or distribution itself, or (b) permit such agency to perform such procurement, warehousing, or distribution, or (c) entrust such performance to some other agency, or (d) avail itself in part of any of these recourses, according as it may deem desirable in the interest of economy and efficiency. When the Procurement Division has pre-

scribed the manner of procurement, warehousing, or distribution of any thing
no agency shall thereafter procure, warehouse, or distribute such thing in any
manner other than so prescribed.

* * * * *
[The Procurement Division shall also have control of all property, facilities,
structures, machinery, equipment, stores, and supplies not necessary to the work
of any agency; may have custody thereof or entrust custody to any other agency;
and shall furnish the same to agencies as need therefor may arise.]
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